

4. *Continental bars*

The present price is Rs 145 8-0 and the remarks under 2 apply here.

5 *Plates—British*

3/16" and up are about five to ten shillings dearer than joists

6 *Plates—Continental*

Can be bought at £8/10

7 *Light Rails*

Before the Act Continental rails could be landed at about Rs 130 to Rs 135. Our material was selling at Rs 150. A price of Rs 130 to Rs 135 meant duty at about Rs 12. This has been increased to Rs 40 and it might have been expected that the price would go up by Rs 28. To begin with we raised our price to Rs 160 but Continental rails are now offering at £7 or £6-17 6. With the duty, this means a landed price of somewhere round Rs 140 or less and we have been compelled to go back to the old price of Rs 150.

All the figures above have been based on the cost of importing at the present time. There is no reason to suppose that this will go up. Indeed, with the uncertainty about exchange, with the imminent reduction of freight from Continental ports and with a probable reduction in wages of Continental workmen, there is reason to fear that they will go down. Had our arguments been based on prices ruling in the country, it might have been argued that these are affected by stocks which are held and that prices must take time to settle down. As pointed out, however, the figures given are based on the cost of importing only.

In case you require information about bazar prices, we are attaching hereto three or four recent price lists issued by a prominent dealer. As you will see, the prices are for wholesale prices you must deduct Re 0 4-0 for profit, Re 0 8-0 for quantity sales and Re 0 4-0 for carting. The prices we could get are Re 1 a cwt or Rs 20 a ton less than those given. You will notice that from section to section there are big variations, but this is according to the temporary shortages that occur.

These price lists are for Calcutta. At the present moment the Bombay market is carrying bigger stocks than Calcutta and prices are very much keener in Bombay. It is an undoubted fact that many dealers, unable to carry their stocks any longer, are selling at a loss. These are considerations of a temporary character, but nevertheless, one more reason why we are still unable to secure the Rs 180 which, some months ago, the Tariff Board decided was essential for us.

We lay no stress on these as an argument for action under section 2 (1), but they strengthen our request that action should be taken early. We trust that Government will lose no time in considering this application and we shall be glad to give any further information or evidence which is required. Might we point out that as regards prices it is not always possible to go by the reports of Home papers? For instance, it is possible for the price of Continental material to go up while it is going down in India or even while the cost of importing it into India is going down.

A statement (C) showing orders booked by us since the Act is also attached.

APPENDICES TO LETTER NO I

STATEMENT A

Statement of Import cost of British Standard joists including landing charges and duty, based on actual invoices and converted at current rates of exchange

	Rs	a	p
October 1923	154	8	0
November 1923	155	0	0
December 1923	157	1	0
January 1924	154	0	0
February 1924	154	9	0
March 1924	152	10	0
April 1924	154	6	0
May 1924	152	3	0
June 1924	151	7	0 with new duty.

STATEMENT B

Baxter Fell's quotations c : f Indian Ports.

	24th July 1923	28th August 1923	26th September 1923	1st January 1924	15th January 1924	26th February 1924	18th March 1924	8th April 1924	27th May 1924	10th June 1924	24th June 1924
	£ s d.	£ s d.	£ s d.	£ s d.	£ s d.	£ s d.	£ s d.	£ s. d.	£ s d.	£ s. d.	£ s d.
Bars, Squares and Rounds	8 15 0	8 17 6	9 10 0	7 16 6	7 9 0	7 10 0	7 12 6	8 12 6	7 15 0	7 8 0	7 8 0
Rounds and Squares 3/16 to 7/16	10 7 6	10 17 6	11 12 0	9 7 6	9 2 6	9 0 0	9 7 6	10 2 0	9 5 0	8 17 6	8 16 0
Angles	8 15 0	8 17 6	9 5 0	7 7 6	7 9 0	7 10 0	7 12 6	8 12 6	7 15 0	7 8 0	7 8 0
Angles 3/4 to 1 1/4	9 15 0	8 10 0	9 17 6	8 15 0	8 5 0	8 7 6	8 12 6	9 7 6	8 15 0	8 10 0	8 10 0
Tees	9 5 0	9 10 0	9 17 6	8 12 6	8 2 6	8 0 0	8 0 0	9 0 0	8 7 6	8 0 0	7 19 0
Joists	8 10 0	8 12 6	8 15 0	7 10 0	7 7 6	7 2 6	7 5 0	8 7 6	7 15 0	7 10 0	7 6 6
Plates 3/16 and up	9 2 6	9 2 6	9 5 0	8 12 6	8 5 0	8 10 0	8 17 6	9 0 0	8 5 0	8 10 0	8 9 0

STATEMENT C

Statement of orders booked for three weeks following passing of the Act.

	Week ending 21st June 1924.		Week ending 28th June 1924.		Week ending 5th July 1924.	
	Tons	Price. Rs	Tons.	Price. Rs	Tons	Price Rs.
Heavy rails 1st class	2	175 0 0	Nil	....	3	172 0 0
Heavy rails 2nd class	76	121 5 3	Nil	....	Nil	....
Heavy Structural	351	159 8 4	122	160 11 1	1,004	152 13 10
Light rails	340	149 7 0	Nil	...	15	160 0 0
Fishplates	25	125 10 5	Nil	...	11	155 0 0
16" Mill bars and Structural	512	161 1 3	387	165 1 2	300	161 6 0
New 10" Mill bars and Structural	623	170 5 4	351	167 5 10	281	168 1 10
Old 10" Mill bars	1	206 0 0	3	188 5 4	Nil	....
Plates	333	163 4 0	61	165 12 0	383	163 1 0

(I) (a) Reply

From the Government of India, dated the 2nd September 1924, to letter No. 1 from Messrs Tata Sons, Ltd. Agents, The Tata Iron and Steel Company, Limited

I am directed to reply to your letter No. SG 844-24, dated the 12th August 1924, submitting an application to Government to exercise its powers under section 2 (1) of the Steel Industry (Protection) Act.

2 The Act became law on the 13th June last, and the latest import figures on which you rely in support of your application are for the same month. The Government of India would, in any case, be unwilling to consider the revision of the import duties which were imposed by the Legislature so recently as last June, until the market has had time to settle down, and it is possible to observe the effect. Moreover, the quotations which you yourselves have given for Continental steel show that the c.i.f. prices ex duty at the end of June did not differ greatly from the corresponding prices of the preceding January.

3 Before the Government of India are prepared to move in the matter, it is necessary that you should make out a *prima facie* case justifying your appeal on the fullest possible basis, and supporting it with the latest figures available. You should also state precisely the classes of steel products in which you specially require additional protection, and what duties you consider necessary in each case.

No 2 —Letter dated the 22nd September 1924

Note—The appendices to this letter have been brought up to date in the statements submitted to the Board by the Company. See Statement II.

We are in receipt of your letter No 260 T (15) of the 2nd September and regret that you do not think that the information previously submitted was sufficient to justify our application. The information as given was as complete as it could be at the time that letter was written, but, of course, it takes time to get reliable quotations from Home and, in any case, we would ask you to remember two points —

(1) That before the Tariff Bill was passed we represented to the Government that the duties were inadequate

(2) Since the Government has already accepted the Tariff Board's estimate of Rs 180 as the figure which is necessary to secure for us, we thought that Government would be mainly concerned to see whether we are getting or could get that Rs 180 after the duty has been introduced

2 We admit that the Tariff Board's estimates of the cost of material were sufficiently accurate for practical purposes at the time when they were made, and we endeavoured to show that their figures were no longer accurate and that therefore the duties which had been imposed on the basis of those figures were no longer sufficient. For this reason the fact that the figures already submitted did not go very far beyond the time when the Tariff Bill was considered in the Assembly did not seem to us to be of much moment since we had already put our views before Government before the Tariff Bill was passed and Government had replied that they did not wish to go beyond the recommendations of the Tariff Board.

3 We now deal with the question afresh, taking each class of item separately and giving you concisely our present difficulties and submitting our recommendations

(1) *Structural material* —Statement A is submitted herewith showing the cost of import of British structural material excluding the duty from October to July. It is not possible to give you the August figures since the invoices have not arrived.

As regards the Continental structural material, we submit herewith a Statement B showing the c i f price for the months of March onwards together with the average rate of exchange and the rupee equivalent. These figures are the prices for joists.

You will remember that the Tariff Board took Rs 145 as the weighted average cost of importing structural shapes exclusive of duty and on the basis of this recommended the duty of Rs 30. The Tariff Board figures or estimates were compiled at a time previous to the months dealt with in the attached Statement B which will show you how much conditions have altered

As regards our own position in the matter of sale of large structural material, we may mention that although our Mill on which this is manufactured is chiefly concerned at present with rails, we have at the same time to supply the needs of the Engineering firms of India for British Standard material and from Statement A it is clear that a duty of nearly Rs 50 is necessary to secure us the Rs 180 recommended by the Tariff Board.

(2) *Bar Mill material* —Owing to causes with which we were not acquainted, bar mill material which includes flats, rounds, squares, angles and tees up to 3 x 3 has been assessed partly as structural material with the duty of Rs 30 and partly as bar with the duty of Rs 40. We submit Statements C, D and E showing for the months of March to August the c i f prices of bars, squares and rounds and angles and tees. The figures taken by the Tariff Board were Rs 140 for bars and Rs 145 for angles and tees as the cost of importing without duty. Angles and tees are assessable at Rs 30 and the bars at Rs 40. Our sales of Bar mill material are partly to the Engineering firms from whom we receive Rs 5 to Rs 10 over the c i f landed price of structural joists, and partly to the bazar where our competition is entirely with Continental material. Our new Merchant mill opened a couple of months ago and is now turning out large quantities. Our production goes much beyond the needs of Engineering firms and in consequence our products have to go very much more largely to the bazar than they have hitherto done. Moreover, the sale of bar mill material guaranteed to the British Standard is adversely affected by the large difference between British and Continental price. Users are driven more and more to continental material.

As pointed out in our previous letter, our freight advantages upcountry enable us to secure somewhere round Rs 20 extra there. On the other hand, our freight disadvantages to other parts of the country operate obviously adversely on the prices we obtain. We cannot at present, by selling in Calcutta, obtain more for flats, squares and round than

Rs 140 and we cannot obtain for angles and tees more than Rs 130. Newly imported angles and tees are being offered in Calcutta free in godown including carting charges and dealers' profit, at Rs 140. This corresponds exactly with the figure of Rs 130 we have given just above. For upcountry we can get Rs 20 more but we have to induce buyers to purchase in full wagon loads. We are at the present moment offering bar mill material for upcountry at Rs 150 per ton for Tatanagar, but our sales have been so poor during the last few weeks that it is quite possible that even this price will not suffice to reduce our stocks and we are already contemplating a reduction, to say Rs 140 for Tatanagar. This, we would like to point, is for sales on our most favourable market.

(3) *Light rails*—The present c.i.f. landed price (without duty) of light Continental rails works out at present somewhere between Rs 100 and Rs 110. Adding the present import duty of Rs 40 the price for light Continental rails landed at ports in India would be about Rs 140 to Rs 150. We ourselves are selling our light rails at present on the basis of Rs 150 per ton but are making no headway at all at this price and we believe that an extra duty is necessary so as to bring the price up to Rs 180.

(4) *Plates*—British plates can be imported without duty in the country at Rs 6 or Rs 7 per ton more than the figures given in Statement A. For Continental plates, we give a Statement F showing the figures from March to August.

The demand for plates, whether Continental or British is very largely from Calcutta and the Engineering centres and the bazaar has not much use for plates of 3 16" and up. For this reason we have been unable to compete at all with Continental plates and are entirely confined to customers who require plates tested to British standards.

In considering these figures we would like you to remember that the Continental quotations are quotations only and actual business can be and is put through at 5s a ton or so lower.

4. We attach hereto also statements of orders booked in May, June, July and August. In considering these, we would ask you to remember that during these months we have received substantial orders for wagon building material from the engineering firms. This material is composed largely of class steels which are rolled on the bar mill and the usual extra for these class steels is in the neighbourhood of Rs 20 to Rs 25.

5. We have said nothing about the actual prices in the market, because in your letter under reply you have said it is necessary for the market to settle down. In our previous letter we gave you certain bazaar price lists and we need only say now that since we last wrote the market prices have continued to decline. We submit however that there can be no question of the markets settling down until the cost of importation goes up. With the cost of importing at its present level there is no prospect whatever of market prices improving and even if the cost of importation is raised, market prices will not go up until the very large stocks which have been imported in the last two or three months are worked off. If the cost of importation is raised now this will have some effect in raising the value of stocks already imported.

6. We trust we have given you all the figures you can want for a decision and urge you, in dealing with the matter, to first consider as final the finding of the Tariff Board that Rs 180 is essential for us and then to consider how far we are from obtaining that figure.

7. You have asked for specific recommendations as to the duties we ask for and these we submit should be as follows—

(a) *Joists*—To raise the import price of British joists to Rs 180 a duty of nearly Rs 50 is necessary, to raise the price of Continental joists to Rs 180 a duty of Rs 80 is necessary. We suggest that a duty of at least Rs 50 should be imposed.

(b) *Angles and Tees*—Which are now classed with structural material. To raise the price of British standard angles and tees to Rs 180 a duty of Rs 40 to Rs 45 is required, to raise the cost of Continental angles and tees to Rs 180 a duty of Rs 40 is required. In the case of this material too large a difference in price between Continental and British material is driving users to Continental and we suggest that a duty of Rs 80 is necessary.

(c) *Plates, squares and rounds*—The question of British standard tests is less important here and even Government Railways use Continental bars freely. It is clear in this case that a duty of Rs 80 is required.

(d) *Light rails*—In the case of this class of steel also the British standard test is insisted upon by the buyers. The competition being mainly with the Continental material it is necessary to make the duty Rs 75.

(c) *Price*.—To raise the British price to Rs 180 a duty of Rs 10 or slightly more is required and to raise Continental price to Rs 180, a duty of about Rs 60 is required. We suggest that a duty of Rs 50 at least is essential.

8. You may wish to take into account the fact that we can sell in Northern India at better price than at ports. As already pointed out our freight advantages in Northern India are Rs 20. If you take this fact into account we would ask you to take into account our freight disadvantage elsewhere and also to take into account the fact that we have to induce customers to buy in wagon loads by offering lower prices and would also ask you to remember that there is practically no up-country market for plates.

APPENDIX TO LETTER No. II. STATEMENT (A)

Statement of Inward cost of British Standard Joists including landing charges, based on actual invoice and converted at current rates of Exchange but without duty

	Rs	a	p
October 1923	141	15	0
November 1923			
December 1923	140	6	8
January 1924			
February 1924	137	7	8
March 1924			
April 1924	133	0	0
May 1924			
June 1924			
July 1924			

STATEMENT (B)

Showing cost of price of Continental Joists without duty.

	£	s	d	Rate of exchange	Rs	a	p
March	7	5	0	@ 1-4 75	=	103	14 1
April	8	7	6	@ 1-4 75	=	110	15 5
May	7	15	0	@ 1-4 85	=	110	7 9
June	7	8	0	@ 1-4 95	=	104	11 10
July	7	2	0	@ 1-5 15	=	99	5 9
August	7	2	6	@ 1-5 27	=	99	0 3

STATEMENT (C)

Showing cost of price of Continental Bars, Flats, Squares, Rounds

	£	s	d	Rate of exchange	Rs	a	p
March	7	12	6	@ 1-4 755	=	109	4 1 (Bars)
April	8	12	6	@ 1-4 755	=	123	8 8 (Bars)
May	7	15	0	@ 1-4 835	=	110	7 9
June	7	8	0	@ 1-4 956	=	104	11 10
July	7	5	0	@ 1-5 16	=	101	7 4
August	7	3	9	@ 1-5 27	=	99	14 2

STATEMENT (D)

Showing c. i. f. price of Angles without duty

			£.	s	d	Rate of exchange	Rs	a	p
March	..	.	7	12	6	@ 1-4 75	= 109	4	1
April	..	.	8	12	6	@ 1-4 755	= 123	8	8
May	..	..	7	15	0	@ 1-4 835	= 116	7	9
June	.	..	7	8	0	@ 1-4 956	= 104	11	10
July	..	..	7	4	0	@ 1-5 15	= 100	12	2
August	..	..	7	3	0	@ 1-5 27	= 99	5	9

STATEMENT (E)

Showing c. i. f. price of Tees without duty

			£.	s	d	Rate of exchange	Rs	a	p
March			8	0	0	@ 1-4 75	= 114	10	0
April	..		9	0	0	@ 1-4 755	= 128	14	8
May		..	7	7	6	@ 1-4 835	= 105	2	2
June	.	.	7	19	0	@ 1-4 956	= 112	8	5
July	..	..	7	14	3	@ 1-5 15	= 107	14	10
August	..	..	7	7	6	@ 1-5 27	= 102	7	10

STATEMENT (F)

Showing c. i. f. price of Continental Plates without duty

			£	s	d	Rate of exchange.	Rs	a.	p
March	..	..	8	17	6	@ 1-4 75	= 127	2	8
April	.	.	9	0	0	@ 1-4 755	= 128	14	8
May	.	.	8	5	0	@ 1-4 835	= 117	9	9
June	..	..	8	9	0	@ 1-4 956	= 119	9	8
July	.	..	8	7	6	@ 1-5 15	= 117	3	2
August	..	..	8	16	0	@ 1-5 27	= 121	9	6

STILL LIFE;

STAFF MEETING
held for the months of May, June, July, and August 1921
June 1921

[illegible]

No. 3—Telegram, dated the 27th September 1924

201 Our sales manager wires from Calcutta that the present sterling prices and present exchange prices of bars and angles are seven rupees below the prices which we communicated to you in statements C and D enclosed with our letter to you number SG 971, dated the 22nd September. Kindly take this further fall of prices into consideration.

II —Statements submitted by the Tata Iron and Steel Company, Ltd, during the course of the oral evidence of their representatives

STATEMENT I

Note.

To bring the figures up-to date, September has been added to the statements and they are attached hereto

For October £6 10 0 c.i.f. for bars is quoted freely and there is one case of £6-3 0 The latter with an exchange of 1/6d means Rs 82

Taking the September figures the following duties are required to get Rs 180

	Rs
Angles, Tees	85
Bars	88
Plates—British	40
Plates—Continental	72

STATEMENT I-A

Statement of in port cost of British Standard joists including landing charges, based on actual invoices and converted at current rates of exchange, but without duty

	Rs	a	p
October 1923	}	141	15 0
November 1923			
December 1923			
January 1924	}	140	6 8
February 1924			
March 1924			
April 1924	}	137	7 8
May 1924			
June 1924			
July 1924		133	0 0
August 1924	}	131	15 0
September 1924			

STATEMENT I B

Showing c.i.f. price of Continental joists without duty

	£ s d	Rate of exchange	Rs	a	p
March	7 5 0	@ 1-4 75	= 103	14	1
April	7 7 6	@ 1-4 75	= 119	15	5
May	7 15 0	@ 1-4 85	= 110	7	9
June	7 8 0	@ 1-4 95	= 104	11	10
July	7 2 0	@ 1-5 15	= 99	5	9
August	7 2 6	@ 1-5 27	= 99	0	3
September	6 14 0	@ 1-5 53	= 92	12	0

STATEMENT I C

Showing c & f prices of Continental bars, flats, squares and rounds

	£ s d	Rate of exchange	Rs a p
March .	7 12 6	@ 1-4 75	= 109 4 1 (bars)
April .	8 12 6	@ 1-4 755	= 123 8 8 (bars)
May .	7 15 0	@ 1-4 835	= 110 7 9
June	7 8 0	@ 1-4 956	= 104 11 10
July	7 5 0	@ 1-5 15	= 101 7 4
August	7 3 9	@ 1-5 27	= 99 14 2
September .	6 14 0	@ 1-5 53	= 92 12 0

STATEMENT I D

Showing c & f prices of angles without duty

	£ s d	Rate of exchange	Rs a p
March	7 12 6	@ 1-4 75	= 109 4 1
April	8 12 6	@ 1-4 755	= 123 8 8
May .	7 15 0	@ 1-4 835	= 110 7 9
June	7 8 0	@ 1-4 956	= 104 11 10
July	7 1 0	@ 1-5 15	= 100 12 2
August	7 3 0	@ 1-5 27	= 99 5 9
September	6 14 0	@ 1-5 53	= 92 12 0

STATEMENT I-E

Showing c & f price of tees without duty

	£ s d	Rate of exchange	Rs a p
March .	8 0 0	@ 1-4 75	= 114 10 0
April	9 0 0	@ 1-4 755	= 128 14 8
May	7 7 0	@ 1-4 833	= 105 2 2
June	7 10 0	@ 1-4 956	= 112 8 5
July .	7 14 3	@ 1-5 15	= 107 14 10
August	7 7 6	@ 1-5 27	= 102 7 10
September	7 2 6	@ 1-5 53	= 97 8 0

STATEMENT I-F

Showing c & f price of Continental plates without duty

	£ s d	Rate of exchange	Rs a p
March	8 17 6	@ 1-4 75	= 127 2 8
April	9 0 0	@ 1-4 755	= 128 14 8
May	8 5 0	@ 1-4 835	= 117 9 9
June	8 9 0	@ 1-4 956	= 119 9 8
July	8 7 6	@ 1-5 15	= 117 3 2
August	8 15 0	@ 1-5 27	= 121 9 6
September	7 19 0	@ 1-5 53	= 108 13 0

STATEMENT II.		
Statement of monthly orders booked for the months of May, June, July and Aug. 1924		
1921	June 1924	July 1924

[illegible]

STATEMENT II-A

Statement of orders booked showing orders for special steel separately

	May 1924		June 1924		July 1924.		August 1924		September 1924.	
	Order	Average price	Order	Average price	Order	Average price	Order	Average price	Order.	Average price
28" Mill.	Tons	Rs a p	Tons.	Rs. a p	Tons	Rs a p	Tons	Rs a p	Tons	Rs a p
1st Class Rails	10,030	128 10 8	2,444	124 13 5	5,187	122 8 10	16,393	135 4 7	9	155 0 0
2nd Class Rails	127	101 9 5	78	122 11 3	63	110 5 10	174	119 3 10	94	130 0 0
Structural	3,008	152 12 3	3,697	154 15 11	2,817	154 13 1	1,041	160 10 11	1,048	152 9 0
Special steel	..	..	128	167 0 0		.	1,496	162 0 0	2,554	162 0 0
10" Mill										
Bars .	1,790	100 4 7	1,614	163 15 7	2,122	163 10 0	720	164 4 0	1,286	158 2 2
Light Rails	403	149 3 7	839	148 1 10	66	149 15 3	103	156 14 9	203	149 5 2
Fishplates	280	159 4 1	101	169 6 0	18	161 10 0	700	173 13 10	1	180 0 0
Special steel	..	.	184	170 0 0	280	170 0 0	762	162 0 0	1,400	162 0 0
New 10" Mill										
Bars ..	3,042	100 1 2	1,538	166 0 0	1,470	166 4 9	802	171 6 6	1,732	149 5 9
Special steel	..	..	313	170 0 0	..	...	138	162 0 0	600	162 0 0

STATEMENT II A—cont'd

	May 1924			June 1924			July 1924			August 1924			September 1924		
	Order	Average price	Tons	Order	Average price	Tons	Order	Average price	Tons	Order	Average price	Tons	Order	Average price	Tons
Old 10" Mill															
Bars ..	14	204 2 0	21	202 4 7	..	..	..	..	..	..	..	19	183 10 0		
Fishplates	.	..	.	.	..	..	..	..	..	..	..	..	..	..	..
Merchant Mill	.	..	..	....	132	102 0 0	..	..	327	217 0 0	..	601 (special)	219 14 6	..	..
Sheet Mill	.	..	..	...	..	..	..	...	330	102 2 4	..	26	104 2 0	..	..
Sheet Bar and Billet Mill	.	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Plate Mill															
Ordinary plates	1,736	150 3 0	712	105 13 4	2,208	101 0 10	918	108 14 1	881	159 6 0	..	..	..	..	..
Large Circular plates	112	180 0 0	76	177 5 10	12	180 0 0	80	178 1 0	49	176 6 2	..	..	..	..	..
Small Circular plates	335	214 1 4	280	217 7 8	12	191 10 8	55	200 0 0	179	201 8 0	..	..	..	..	..
Special Order	.	....	514	174 12 0	.	..	547	102 0 0	3,371	165 9 0	..	..	..	..	..

STATEMENT II-B

Prices at which orders have been booked for Light Structural and Bars separately

	May		June		July.		August.		September.	
	Tons	Rs	Tons	Rs	Tons	Rs	Tons	Rs	Tons	Rs
Bars	2,717	@105 7	2,359	@104 4	2,183	@103 0	1,792	@107 4	3,356	@106 1
Light Structural	2,114	102 8	1,305	100 05	1,753	107 2	746	104 9	1,706	108 7

STATEMENT II-C

Prices at which orders have been booked for Light Structural and Bars separately

	June		July		August		September.	
	Tons	Rs	Tons	Rs	Tons	Rs	Tons	Rs
Bars	2,359	@104 4	2,183	@103	1,792	@107 1	3,356	@106 1
Engineering Firms	875	107	328	100	1,054	107	2,029	103
Government ..	120	172	26	109	25	170	87	170
Railways .	343	107	394	105	280	107	107	105
Dealers .	971	100	1,408	101	402	100	1,075	100
Miscellaneous	41	177	27	175	31	171	58	170
Light Structural	1,305	@ 106	1,753	@107	746	@104	1,706	@108
Engineering Firms	625	105	1,108	109	444	101	1,186	100
Government	281	172	14	171	8	170	101	109
Railways	45	173	32	175	110	107	24	105
Dealers	347	100	499	101	108	108	310	145
Miscellaneous	6	179	38	173	16	105	19	104

STATEMENT III.

Sales of M S Bars and light structurals separately showing adjustments for final figures but not cancellations

June 1924	Bars	Light Structurals.
	Tons	Tons
Engineering Firms	402	590
Government	129	281
Railways	343	45
Dealers	971	347
Miscellaneous	41	6
	1,886 @ 164 07	1,278 @ 164 91
Total Tons	3,164 @ 164 59	

Under frames orders from Engineering Firms 497

July 1924

	Bars			Light Structurals		
	Tons	Rs	Rs	Tons	Rs	Rs.
Engineering Firms	328	@ 161 3 =	52,906 4	1,168	@ 163 =	1,90,384
Government	26	@ 169 =	4,394	14	@ 171 =	2,394
Railways	394	@ 165 7 =	65,285 8	32	@ 175 =	5,600
Dealers	1,408	@ 160 9 =	2,26,547 2	499	@ 158 =	78,842
Miscellaneous	27	@ 175 =	4,725 0	38	@ 173 =	6,574
	2,183		3,53,858 4	1,753		2,83,794

Average Rs 162 09 Average Rs 162 07

Sales of special steels 280 tons

August 1924

	Bars			Light Structurals		
	Tons	Rs	Rs	Tons	Rs	Rs
Engineering Firms	467	@ 159 =	74,253	131	@ 146 =	19,126
Government	25	@ 170 =	4,250	8	@ 170 =	1,360
Railways	280	@ 167 =	46,760	110	@ 167 =	18,370
Dealers	402	@ 157 =	63,114	168	@ 150 =	24,360
Miscellaneous	31	@ 171 =	5,301	16	@ 165 =	2,640
	1,205		1,93,678	433		66,096

Average Rs. 160 7 Average Rs 154

Special steels 900 tons

STATEMENT III—concl'd

September 1924

	Bars			Light Structurals		
	Tons	Rs	Rs.	Tons	Rs	Rs
Government	87	@ 170	= 14,790	161	@ 169	= 27,209
Railways	107	@ 165	= 17,655	24	@ 165	= 3,960
Engineering Firms	845	@ 140	= 1,19,300	370	@ 156	= 57,720
Dealers	1,075	@ 145	= 1,55,875	316	@ 143	= 45,228
Miscellaneous	58	@ 170	= 9,860	19	@ 164	= 3,116
	2,172		3,17,480	890		1,37,233

Average

Rs 146

Average

Rs 154 2

Special steels 2,000 tons

October 1924

	Bars			Light Structural		
	Tons	Rs.	Rs	Tons	Rs	Rs
Railways	255	@ 153	= 32,081	5	@ 168	= 840
Engineering Firms	354	@ 137	= 48,503	116	@ 150	= 17,413
Dealers	143	@ 149	= 21,410	36	@ 145	= 5,220
Miscellaneous	6	@ 163	= 978	1	@ 150	= 150
	758		1,09,872	158		23,623

Average . Rs. 144 9

Average . Rs 150

STATEMENT IV

Prices taken from the Iron and Coal Trades Review

	May 1st, 1924.		April 3rd, 1924.		June 5th, 1924.	
	£1=81 Fcs		£1=100 Fcs		£1=94 Fcs	
	F O B Antwerp		F O B Antwerp		F O B Antwerp	
	£ s d	£ s d	£ s d	£ s d	£ s d	£ s d
Steel Bars	7 2 6 to	7 5 0	6 15 0 to	6 17 6		6 17 6
Joists		7 0 0	6 5 0 „	6 10 0		6 15 0
Plates, 5 m.m.		10 0 0	7 12 6 „	7 15 0		
	July 3rd, 1924		August 7th, 1924.		September 4th, 1924	
	£1=95 5 Fcs		£1=89 00 Fcs		£1=88 87 Fcs	
	F O B Antwerp		F O B Antwerp		F O B Antwerp	
	£ s d	£ s d	£ s d	£ s d	£ s d	£ s d
Steel Bars		6 10 0	5 17 6 to	6 0 0	6 4 0 to	6 6 3
Joists		6 7 6	5 16 6 to	5 17 6	5 18 3 „	6 0 3
Plates, 5 m.m.	7 15 0 to	7 17 3		7 7 6	7 6 3 „	7 8 3
	September 18th, 1924.					
	£1=80 75					
	F O B Antwerp					
	£ s d	£ s d				
Steel Bars		5 16 6 to	5 17 6			
Joists		5 16 6 „	5 17 6			
Plates, 5 m.m.		7 0 0 „	7 2 6			

STATEMENT V.
Material for Waggon Orders

Heavy Structural	4,500	tons
16" Mill	2,000	"
10" Mill	550	"
Plates	4,500	"
Sheet Mill	600	"

STATEMENT VI

Statement showing stocks on the last day of the months from April to September 1924

—	30th April	31st May	30th June	31st July	31st August	30th September
	Tons	Tons	Tons	Tons	Tons	Tons
Pig Iron	108,410	119,451	112,731	112,654	122,700	134,885
Big Mill Structural	5,407	7,405	6,690	8,594	6,438	7,644
Light Rails	577	345	257	339	240	222
Bar Mill Bars	7,417	7,594	7,824	8,432	8,970	10,173
Bar Mills Structural	1,486	1,686	1,717	1,653	3,008	3,784
Plates	2,194	2,176	2,232	2,503	3,114	3,745
Sheet Bar	670	3,208	1,475	3,401	2,435	4,169

STATEMENT VII

Statement showing the steel company's estimated production for the years 1924-25, 1925-26 and 1926-27 as compared with the Tariff Board Estimates

(In thousands of tons)

—	Tariff Board 1924-25	Six months Actuals	12 months Estimates	Tariff Board 1925-26	Sales Estimates	Tariff Board 1926-27	1926-1927 Sales Estimates
Rails and Fish-plates	83	30	110	105	120	125	120
Light Rails	4	1	3	5	5	5	5
Structural Shapes	68	32	60	85	70	100	} 169
Bars	30	13	24	45	42	45	
Plates	15	11	20	30	20	45	
Black Sheet	7	}	9	15	} 36	17	} 36
Galvanised Sheets	8			15		18	
Sheet Bar	35	11	27	35	32	35	35
Total	250		253	335	335	390	390

STATEMENT VIII

Statement showing production from April 1924 to September 1924

	April 1924.	May 1924	June 1924	July 1924	August 1924	September 1924
	Tons	Tons	Tons	Tons	Tons	Tons
Pig Iron	46,098	44,927	41,656	44,058	44,305	46,862
Big Mill Structural	5,584	4,978	1,515	4,058	1,785	2,241
Light Rails	156	154	250	283		80
Bar Mills Bars	1,739	2,115	2,261	2,680	4,096	} 4,533*
Bar Mill Structural	924	1,081	447	1,302	2,608	
Plates	1,584	1,762	1,612	1,744	2,228	1,680
Sheet Bars	1,556	2,895	1,883	4,898		2,359

* Details not available yet

STATEMENT IX.

*Statement showing average actual price realised from April to September 1924
and*

*The difference between the Tariff Board Price and the actual price of invoices but neglecting
subsequent adjustments*

	Tons	per ton	
Bars and Structural	16,246	Rs 163 45 =	Rs 26,55,434 84
Tariff Board Price	@ Rs 180 per ton	=	Rs 29,24,280 00
Difference			Rs 2,68,845 16
Heavy Structural	13,165	Rs 154 05 =	Rs 20,97,497 94
Tariff Board Price	@ Rs 175 per ton	=	Rs 23,82,625 00
Difference			Rs 2,85,127 06
Plates	8,073	@ Rs 167 02 =	Rs 12,38,394 28
Tariff Board Price	@ Rs 180 per ton	=	Rs 14,53,140 00
Difference			Rs 2,14,745 72
Summary—			
Total difference on	37,034 tons	=	Rs 7,68,717 94

STATEMENT IX (a)

Invoice of steel orders booked and checked realising less than Rs. 175 for structural and Rs. 180 for bars and plates

<i>Heavy Structural</i>		Rs	
June	{	$3,727 \times 25 = 93,175$ $125 \times 8 = 1,024$	
July	.	$2,508 \times 10 = 25,080$	
August	{	$1,030 \times 17 = 17,510$ $1,496 \times 13 = 19,448$	
September	.	$1,030 \times 22 = 22,660$ $2,651 \times 13 = 34,463$	
October up to 13th	..	$210 \times 23 = 4,830$	
			<hr/> 2,57,457
<i>Bars</i>			
June*	..	{ $1,860 \times 15 = 27,900$ $497 \times 13 = 6,461$	
July	..	{ $280 \times 10 = 2,800$ $2,163 \times 18 = 38,934$	
August	.	{ $1,205 \times 19 = 22,895$ $900 \times 18 = 16,200$	
September		{ $2,172 \times 34 = 73,848$ $2,000 \times 18 = 36,000$	
October up to 13th	.	$758 \times 35 = 26,530$	
			<hr/> 2,53,621
<i>Light Structural</i>			
June		$1,278 \times 10 = 12,780$	
July	.	$1,753 \times 13 = 22,789$	
August		$433 \times 21 = 9,093$	
September		$890 \times 21 = 18,690$	
October up to 13th		$158 \times 25 = 3,950$	
			<hr/> 86,110
<i>Plates</i>			
June		$1,226 \times 11 = 13,486$	
July		$2,124 \times 20 = 42,480$	
August		{ $916 \times 17 = 15,572$ $547 \times 18 = 9,846$	
September	.	{ $881 \times 23 = 20,263$ $3,371 \times 18 = 60,678$	
October up to 13th		$127 \times 25 = 3,175$	
			<hr/> 1,67,766

* Figures corrected in accordance with the oral evidence recorded on 25th October 1924

STATEMENT X.

Statement of Orders Pending for Shipment

	On 4th Oct 24	On 24th May 24
28" Mill Structural	1,592	3,819
16" Mill bars and light structural	1,624	2,777
10" Mill bars and light structural	1,710	2,722
Plates (not slit)	685	790
Small circular plates	231	437

STATEMENT XI

Statement of orders for heavy structurals after making adjustments for delivery price, but not including cancellations

June 1924	Dealers		Engineering Firms		Railways		Government		Miscellaneous	
	Tons	Average price	Tons	Average price	Tons	Average price	Tons	Average price	Tons	Average price
		Rs		Rs		Rs		Rs		Rs
Beams	885	147 15	2,520	150 66	20	160	22	170	21	155
Channels	5	160	115	163 56	4	160				
Angles	101	130 34	44	147 81	10	153 4				
	971	145 46	2,679	151 5	34	158 05	22	170	21	155

Total tons 3,727 Average price per ton Rs 150 11

Under-frame orders from Engineering Firms 128 tons

STATEMENT XI—*cont'd*

July 1924	Dealers		Engineering Furns		Railways	
	Tons	Average per ton Rs	Tons	Average per ton Rs	Tons	Average per ton Rs
Beams	1,798	155 46	283	156 87	16	162 ..
Channels	72	155 00	124	142 72	1	150 00
Angles	10	150 5	375	159 75		
	1,880	155 47	782	156 09	17	161 70

Miscellaneous

	Tons	Rs
Beams	129	151 01
Channels	..	..
Angles	..	..
	129	151 01

Total Tons 2,468 Average Rs 155 44

August 1924	Dealers	Engineering Furns	Railways	Construction	Miscellaneous
	Average per ton Rs	Average per ton Rs	Average per ton Rs	Average per ton Rs	Average per ton Rs
Beams	1,798 155 46	283 156 87	16 162 ..	129 151 01	1 150 00
Channels	72 155 00	124 142 72	1 150 00		
Angles	10 150 5	375 159 75			
	1,880 155 47	782 156 09	17 161 70		

Total Tons 2,468 Average Rs 155 44

Total Tons 2,468 Average Rs 155 44 Total Tons 2,468

STATEMENT XI—contd.

September 1924.	Dealers.		Engineering Firms.		Railways.		Government.		Miscellaneous.	
	Tons.	Rs.	Tons.	Rs.	Tons.	Rs.	Tons.	Rs.	Tons.	Rs.
Beams ..	395	148-63	296	154-35	19	160	142	164	21	150
Channels ..	.	.	2	154-00	..	..	..	.	..	..
Angles ..	.	..	154	154-87	1	170	..	..	..	..
	395	148-63	452	152-1	20	160-5	142	164	21	150

Total 1,060 tons. Average Rs. 152-4

Wagon orders by Engineering Firms Tons 2,554 @ Rs. 162

October 1924.	Dealers.		Engineering Firms.		Railways.	
	Tons.	Rs.	Tons.	Rs.	Tons.	Rs.
Beams	2	165	132	150
Channels	1
Angles	51	154
			2	165	183	151-1

	Government.		Miscellaneous.	
	Tons.	Rs.	Tons.	Rs.
Beams ..	..	..	4	157
Channels ..	.	..	..	..
Angles ..	..	.	..	..
	4	157	11	150

Total tons 210. Average Rs. 151-48

STATEMENT XII

Corrections of orders placed in each of the following months

	July	August	September	October
Heavy Structural ..	316	368	65	16
Light Structural ..	189	96	158	308
Light Structural ..	87	92	77	71

STATEMENT XIII.

British export price in sterling according to " Iron and coal trades review "

	<i>Joists</i>	<i>Bars under 3" & 3"</i>	<i>Plates</i>
	£ s d	£ s d.	£ s d
<i>1923</i>			
November	8 16 0		8 19 0
December	9 0 0	9 3 4	9 8 4
<i>1924</i>			
January	9 0 0	9 13 9	9 0 3
February	9 0 0	9 15 0	9 5 0
March	9 0 0	9 15 0	9 5 0
April	8 15 0	9 15 0	9 5 0
May	8 15 0	8 15 0	9 5 0
June	8 15 0	8 15 0	9 5 0
July	8 13 1 5	8 15 0	9 5 0
August	8 7 6	8 19 0	9 9 0
September	8 7 6	9 0 0	9 7 6

STATEMENT XIV.

*Statement of orders for plates after making adjustments for delivery price
but not including cancellations*

	<i>Tonnage.</i>	<i>Average Price.</i>
<i>June 1924</i>		Rs per ton
Railways	50	167 63
Government	1	185 00
Dealers	222	166.74
Miscellaneous	59	150 00
Engineering Firms	334	166 29
Total	666	162 43
Special steel orders—Tonnage	582	174 9

STATEMENT XIV—*contd.*

	Tonnage.		Average price
<i>July 1924</i>			
	Tons	Rate	
Dealers	160	@ Rs 150 9	} Average Rs 159 16 per ton
Railways	31	@ „ 162 9	
Engineering Firms	1,933	@ „ 159 7	
<i>August 1924</i>			
Dealers	28	@ „ 150 3	} Average Rs 162 28
Railways	309	@ „ 169 52	
Engineering Firms	579	@ „ 158 71	
Waggon orders by Engineering Firms	547	@ „ 162 0	
<i>September 1924</i>			
Dealers	183 5	@ „ 158 0	} Average Rs 157 28
Railways	195 0	@ „ 157 1	
Engineering Firms	503 0	@ „ 157 1	
Waggon orders by Engineering Firms	3,371 0	@ „ 162 0	
<i>October 1924</i>			
Dealers	12	@ „ 159 95	} Average Rs 154 90
Railways	45	@ „ 157 95	
Engineering Firms	70	@ „ 152 22	

THE TATA IRON AND STEEL COMPANY, LIMITED.

B—Oral

Evidence of Mr S K Sawday, recorded at Bombay on Friday, the 17th October 1924

President—You are appearing, I understand, on behalf of the Tata Iron and Steel Company?

Mr Sawday—That is right, Sir

President—In connection with the application for the imposition of additional duties on certain classes of steel under the Steel Industry (Protection) Act?

Mr Sawday—Yes

President—I think the kinds of steel with which you are immediately concerned are heavy structural steel, plates and light rails?

Mr Sawday—Yes

President—The statement of your case, I think, is given in the two letters which you addressed to the Government of India, one on the 12th August and another on the 22nd September?

Mr Sawday—Yes. I have brought the figures up to date in connection with the letter of the 22nd September which were complete in themselves but did not include the figures for September handed in.*

President—The figures up to date the prices of certain classes of Continental material and also the British price is that so?

Mr Sawday—Yes, that is right

President—Have you also brought up to date your statement of the average prices realised by you for the different kinds of steel, that is up to September?

Mr Sawday—I have brought with me another statement which is an extension of the statement attached to that letter. That statement showed the average prices up to August. I have now added September. I may add that that statement is for all varieties of orders booked. It is misleading for two reasons. It includes a lot of orders in August and September for wagon materials which need special classes of steels on which there is ordinarily an extra charge of Rs 15-25. It is also misleading for the reason that orders which had been booked, say, in August for delivery in September or October, are affected by the fact that we have been forced to reduce our price and will no longer be paid for at those prices. The buyers who had given the orders cannot take the material at the price at which they booked. For that reason I have made up another statement showing orders booked for mild steel material only in June to September. It included orders either at the rates at which they were supplied or at the rates at which they will now be supplied.

Mr Ginnala—What is this mild steel material?

Mr Sawday—Since your enquiry into our case we have taken up the manufacture of these various classes A, B C and D steel, for wagon work. We have had orders for under frame material and now for wagon material. These are mainly mild steel for big sections but for the bar mill material 80 per cent are A class steels.

Mr Ginnala—They are all according to British Standard specification?

Mr Sawday—Yes, but not the same specification.

President—You mean there is more than one British Standard specification and that you are making classes of steel which you did not do before?

Mr Sawday—Yes

President—There is just one point in connection with the statement you have handed in. You have given us figures for British steel only in the case of joists and you have given the figures in a slightly different form. How far do you think the figures quoted from week to week in the Iron and Coal Trades Review can reasonably be taken as the prices at which purchases can be made?

Mr Sawday—You have in the Iron and Coal Trades Review separate price for joists and bars in the case of steel. These are compiled in the usual method used in Great Britain.

* Statement I under Section II of written evidence

President —But surely it is the base price which is quoted in the Iron and Coal Trades Review ?

Mr. Sawday —You will find different quotation for plates That base price is always a few shillings too high

President —I take it that it depends on the size of the order ?

Mr. Sawday —It does I can give you the discounts of one of the biggest firms —

President —I don't think that is necessary The main point is that it is possible that the movement of these prices as quoted in the Iron and Coal Trades Review follow actually the movements of the market ?

Mr. Sawday —Yes, roughly

President —I understand from the letter you have sent in that your case is generally this, that since the Steel Industry (Protection) Act was passed, you have failed to secure the price which you believed the Legislature intended that you should secure ?

Mr. Sawday —That is right

President —The main reasons for this, I take it, are (a) the rise in the exchange value of the rupee, (b) fall in the *fo b* sterling price of Continental steel, (c) heavy importation during the current year of Continental steel and (d) possible reduction in steel freights from Antwerp Are these the main factors on which you want to lay stress ?

Mr. Sawday —Yes

President —Take the rise in the exchange I don't think it is necessary to amplify it very much because the facts are known. The prices of steel adopted by the Tariff Board were based on the assumption of a 1s 4d rupee sterling exchange The exchange has now gone up and is 1s 6d But the second point, *viz*, the fall in the *fo b* sterling price of Continental steel, that does require a certain amount of amplification Can you state what has occurred in the last six months comparing the figures generally with range of prices in the latter half of last year ?

Mr. Sawday —I have got here a statement comparing the range of prices from April to September this year *

President —I have tabulated here the prices quoted in the Iron and Coal Trades Review for September, October, November last year for Continental steel I find that at that time, in September and October, on the whole the price of Belgian bars *fo b* Antwerp is quoted in the neighbourhood of £8 a ton. In November there is a tendency to fall It varied between £7-19s to £7-4s The lowest price you quote now for steel bars in September is £6-4s to £6-6-3 On September 18th I see you have quoted £5-16s to £5-17s

Mr. Sawday —In the first statement that I have handed in you will see there is a quotation of £5-3s *c i f* which means £5-9s

President —Let us take for the moment only the prices in the Iron and Coal Trades Review There seems to have been a steady decline since April last in the sterling price of Belgian steel

Mr. Sawday —That is correct

President —Do you wish in any way to amplify any statement you have made about heavy importations of Continental steel during the last six months ? The Board have studied the figures in the monthly Trade Returns

Mr. Sawday —I only wish to lay stress on the fact that, as a result of these heavy importations, the local dealers are overstocked, they are naturally trying to get rid of their material as they are unable to carry their stocks any longer, and the effect of this is a further lower cost

President —That is a point of some importance, I think, and I will come to that later on I do not gather from your letter that you allege any substantial difference in the level of British prices as compared with the range of prices in the latter half of 1923

Mr. Sawday —That is only a matter of a difference of 10 to 15 shillings We have given *c i f* prices in Statement A as affected by the exchange

President —It is a pity that your only statement for British steel is given in rupees I have got them tabulated here from August to November It was £9 until October 11th and fell to £8 15s on October 18th It remained at £8-15s until November 15th when it went up again.

Mr. Sawday —It is now £8 6s

President —Can you give us the figures for British joists from 1st April last just when the change occurred ?

* Statement I under Section II of written evidence

Mr Sawday—27th March—£9
 3rd April—£8-15
 25th July—£8-7-6

President—The Board are quite ready to take it into account

Mr Sawday—This factor is of minor importance as compared with the other factors we have put forward

President—I take it one of the difficulties the Board will have to face in dealing with this application is the condition under which Tatas have to sell steel in India. I understand that your customers may be divided into two classes. There are those who desire a guarantee of quality that the steel is up to the British Standard specification and are prepared to pay something extra in order to obtain it. Are the railways included in that class?

Mr Sawday—It does include the State railways and it has always included them until lately which shows that they are breaking away. There are certain non State railways which buy Continental steel, there are others who stick exclusively to the British Standard.

President—But still, speaking of the past only, it would be correct to say that, up to the passing of the Steel Industry (Protection) Act, railways, generally speaking, would be included in the first class of customers?

Mr Sawday—Largely, with certain exceptions.

President—And the engineering firms?

Mr Sawday—The Calcutta engineering firms almost exclusively till lately, Bombay not so nearly exclusively, but still they were using British Standard wherever they could.

President—Are there any other classes of consumers, important enough to be mentioned, who usually require British Standard?

Mr Sawday—Government departments. The Telegraph department is a good customer. Then the Port Trusts usually insist upon British Standard.

President—Amongst private consumers are there any others who can be named?

Mr Sawday—No, sir. I think none.

President—There must be occasional orders?

Mr Sawday—You mean private men who are building houses and so on?

President—I mean consumers other than Government departments.

Mr Sawday—The engineering firms.

President—Then, I take it, the desire of other consumers is to buy in the cheapest market and the question of price with them is fundamental?

Mr Sawday—British standard does not appeal to them except in a minor degree as in the case of joists, etc.

President—At the time the Board were making their previous enquiry, the average difference between the prices of British and Belgian steel, using for this purpose the figures in the Iron and Coal Trades Review, was £1-13.

Mr Sawday—That is approximately right.

President—At that time was it the case that the purchasers of steel up to the British Standard in India were prepared to pay approximately the equivalent of British prices?

Mr Sawday—Yes.

President—One of the significant features of the last six months has been the widening of the gulf between the British and Continental prices?

Mr Sawday—That is one of our chief troubles.

President—I have received to day a letter from the George Service and Company, a big importing firm here, in which they have given us the c & f prices of British and Continental steel. I shall just read the figures they have given about the difference between the prices of British steel and the Belgian steel. In the month of April the difference was £2 a ton; in May £2-2-6, in June £2-12-6, in July and August it was £2-17-6 and in September it was £3-5-0. I do not want you to commit yourself in any way.

Mr Sawday—They are approximately correct.

President—Does that widening of the gulf between the British and Belgian prices affect the price at which you can sell steel to your first class consumers who desire British Standard specification?

Mr Sawday—It has affected it. We have had to sell them British Standard steel at prices a good deal below that at which we have always sold them, and at prices below the cost of importing British Standard material.

President—You had running contracts with some of the engineering firms at Calcutta?

Mr Sawday—We still have it.

President—Do these contracts bind them to buy any specific quantity of steel from you?

Mr Sawday—Only in the case of one firm, and the quantity has always been well below what they take. In the case of the rest it is a sort of unwritten understanding that they will buy our sections rather than import them, but conditions have got to such a stage that it is a question of buying Continental or getting no business.

President—Then there is no contract according to which they must buy from you a fixed quantity of steel?

Mr Sawday—No.

President—Practically it comes to this, that if they buy under this contract, they would pay a certain price, but they need not buy. That is my point.

Mr Sawday—Yes.

President—Are these contracts still being acted up to, or is there a difference now?

Mr Sawday—The difference is this, when they want material of some special size, for instance, 6" angles which are not readily obtainable—not obtainable in India very easily—when they want them in special lengths, when they want test certificates they take them under the contracts as before, but when they want 2 to 3 hundred tons of flats and can have them inspected in Belgium they won't pay us the price.

President—This specific instance you are referring to is the purchase of 500 tons of bars for tie bars. Can you tell us what occurred in that case?

Mr Sawday—In the case of tie bars for State Railways certain tests are required. They could have bought the bars from which the tie bars are made from Belgium, after inspection and test by their own officials in Belgium, at about Rs 130 to Rs 135 but that would have meant that the flats came out here subject to a further test by the Government Inspector. They were willing to pay us Rs 140 on the particular day on which I booked the order. The next week they might not have paid us that.

President—The reason being that they could get suitable material from Belgium and that arrangements could be made then for testing?

Mr Sawday—Yes.

President—What would have been the price under the contract supposing it was bought in accordance with the contract?

Mr Sawday—Rs 159-15-0 for Tatanagar instead of Rs 137 for Tatanagar, or Rs 162-15-0 Calcutta instead of Rs 140.

President—Did you understand from the Calcutta engineering firm that their suppliers in Belgium were prepared to guarantee that the steel would be up to the British Standard specification?

Mr Sawday—They were prepared to have it tested by the people's own inspectors there. They were not prepared to have it tested here.

President—Was the price at the time higher than the price of ordinary Belgian bars, what they ordinarily sell?

Mr Sawday—At the same time I concluded an order for a mixed sort of ordinary mild steel at Rs 110 or Rs 137 for Tatanagar, whereas the Belgian price at 1s 5d exchange—as a matter of fact the exchange was rather higher than that—worked out to Rs 129.

President—The point of my question was this, whether in this particular case the Belgian firm charged anything extra at all for the guarantee.

Mr Sawday—There was a small extra.

President—Could you tell us generally what the effect of this wide gulf which has now come into existence between the British and Belgian prices is on your sales to your first class consumers?

Mr Sawday—The first result is that sales of steel for building houses and so on, i.e., sales to engineering firms for what they call merchant business, have practically stopped. They cannot take British Standard material for their ordinary merchant

business In the case of the ordinary engineering work they find it impossible to compete, because certain classes of consumers do not insist on British Standard Take the case of cooly huts in tea gardens In the past, engineering firms have supplied British Standard for these purposes At the present day they are not willing to pay for the British Standard So if they want that business they have to go down to Continental material As regards testing the material they have the option of obtaining the tested material from the Continent But it is certainly a fact that certain firms supplied material to State Railways from purchases made in the bazaar For instance, the State Railways have certain tests for squares for dog spikes and so on I know that material for dog spikes is purchased in the Calcutta bazaar and supplied to the State Railways As a matter of fact the test is not rigidly applied

President—Are there any specific cases you would like to quote in order to illustrate that?

Mr Sawday—I can quote the case of a State Railway which has always ordered material from us under the contract which we have with the Railway Board and has now taken to Continental

President—This contract with the Railway Board is merely a contract as regards price?

Mr Sawday—I believe the Railway Board have issued instructions to the State Railways that they are to purchase their sections from us and I believe we have got the orders of some Railways almost completely They always send us tenders and if we can supply according to the Railway Board tender they have taken the material from us One State Railway asked for a fairly decent quantity of rounds which we said we could supply They replied that they could get at Rs 140 and we had to come to their figures This could not have been the price for British Standard material

President—That was a case of supply of material to a State Railway which formerly would have been supplied at price of British steel, but which is now being supplied at the prices quoted for Continental steel

Mr Ginnala—If there is no objection I would like to know the name of the State Railway

Mr Sawday—Oudh and Rohilkhand Railway

President—In so far as there is any obligation to purchase from you, I gather that that obligation to purchase arises from instructions which you believe have been issued by the Railway Board As far as the agreement between the Tata Iron and Steel Company and the Railway Board is concerned, is there anything stated in that as to the obligation to purchase?

Mr Sawday—I am sorry I have not got the correspondence here I should like to look it up before I make any statement

President—It is not of much importance There are always two possibilities in these cases

I would refer to another set of figures you have given, namely, the average prices realised by you month by month for the orders booked I have had to analyse the figures and have arranged the results slightly differently and I would like to put to you the average figures at which I have arrived for the various classes of material with which we are concerned In the first place, the average price realised for bars for the four months, according to the figures you gave, worked out to Rs 165 a ton I do not ask you to accept that figure as you probably would wish to verify it, but as a matter of fact the prices obtained from month to month did not vary very greatly Have you been able to separate flats, light structurals and the bars?

Mr Sawday—That is in one of the statements we gave from June to September I am sorry the May figures are not there

President—The difficulty is you have not got them for the same period to enable us to make comparisons

Mr Sawday—You have got the June figure

President—I see that in June the price of bars is a little above that of structurals, in July the other way, in August the prices of bars were again higher than those of structurals and in September less Are these the rates at which orders were booked?

Mr Sawday—Actually supplied Take for instance July 2,402 tons of bars were booked for the 16" mill and 1,470 tons of bars for the new 10" mill Out of this, 470 tons or considerably more than a quarter, were booked in July for delivery in September, October, November and December and will never be delivered at that price

President—That was not the point I am considering what took place in the past. You have got to try and find out what the state of affairs would have been had things remained stable as they were during these four months. In May, June, July and August you booked orders at a certain figure when the exchange and the *fo b* price were at a certain level. We have got to compare the prices you got and the prices at which materials were imported. We must keep as an entirely separate question the prices at which you actually booked orders and the prices you subsequently received. I am quite willing to take into account the fact that you actually did not receive the booked price, but in order to get at a comparison of the figures the Company have supplied I must have the figures on the same basis.

Mr Sawday—You will find that the difference between the prices of the light structurals and bars will vary in much the same way.

President—I must ask you again for these figures. I do not think you realise that quite an incredible amount of unnecessary work is imposed on members of the Board, if figures are given sometimes on one basis, and sometimes on another.

Mr Sawday—I can give you these figures*.

President—My point is this. The only connection between light structurals and bars is that they happen to be made at the same mill.

Mr Sawday—You want to see if one fetches more than the other?

President—The point is this. The Tariff Board in their recommendations about steel definitely made one set of recommendation about structurals and another about bars. That was adopted by the Legislature and became part of the law. Is it not worth while for the Tata Iron and Steel Company to compile their figures in such a way that the prices of different kinds of material subject to different rates of duty can be given separately?

Mr Sawday—For British standard material we have, as you know, a price plus extras which in the case of angles vary from Rs 5 to Rs 15 to the engineering firms, in the case of tees from Rs 5 to Rs 10, in the case of bars from nothing to Rs 15, in the case of rounds from nothing to Rs 15 and in the others from Rs 5 to Rs 10. That is to say, the range of extras is much the same whether it is angles, tees or bars. Therefore the relation between the price of light structurals and the price of bars will vary from month to month as it does in the statistics given.

President—I am trying to ascertain the facts, and I think you must allow the Board to judge for itself what is useful for them to know. The point is this. The Legislature have put a duty of Rs 30 per ton on structurals and Rs 40 on bars. Is it not important that the Board should ascertain the average price you received for structurals as distinct from bars?

Mr Sawday—That is the average which was received.

President—I am afraid I can only say that I do ask for these separate figures.

Mr Sawday—All right, I will give them to you*.

President—Thank you very much. We must take the figures at the moment on the basis of this mixture of light structurals and bars booked in these four months, at an average price of about Rs 166 a ton. According to the figures you have given here, the price of bars imported from the Continent including duty is approximately Rs 144, that is to say, the price you have received is Rs 22 higher. Then if you take plates, the average price is Rs 169—I am omitting fractions—whereas the average price including duty of Continental plates was Rs 157, the difference being Rs 12. In the case of heavy structurals your average price is Rs 156. The average price of Continental joists including duty is Rs 137 and of British joists Rs 166. In the case of angles I cannot at present make a comparison. Well, now, that clearly is a factor which the Board will have to deal with, that there is a substantial difference between the duty paid price of Continental steel and the average price at which you actually booked orders. This is the average of the four months. These have been taken from your figures attached to your letter of the 22nd September. I take it the main reason for this difference is the fact that you are selling a part of your output to consumers who require steel up to the British Standard specification.

Mr Sawday—Yes and the other part of the reason is that until the last few weeks we have never attempted to sell steel in Calcutta in competition with Continental steel. We have sold either in Calcutta against British, or up-country against Continental.

President—That I think we enquired into in our previous enquiry, that the freight from Tatnagar up country is lower than the freight rates from Calcutta. Owing to

* Statement II under Section II of written evidence.

accumulation of stocks that advantage may temporarily disappear, but normally you have an advantage

Mr Sawday—In the case of plates our price is Rs 160, Continental is Rs 157. There is practically no demand for plates up country. Our sales are almost entirely in Calcutta to engineering firms. In the case of structurals the British price is Rs 166, Continental Rs 133 and our price is Rs 156. Our sales of structurals during these months have been either to the engineering firms or the balance of our contract at Rs 155 against two of our biggest hazard orders. That again is Rs 20 more than the Continental price.

President—What is the reason why you had to change your policy as regards the sale of material in competition with Continental material?

Mr Sawday—One of the reasons is that our output increased very materially when the merchant mill started to work. Another is that, with less demand for British Standard material for ordinary merchant purposes, the demand from the engineering firms has gone down.

President—That is to say, there are two causes at work, first that your output is steadily increasing, and second that a wide gulf has grown up between British and Belgian prices which compels you to sell in competition with Continental steel in markets where you did not sell before?

Mr Sawday—That is right.

President—What do you estimate approximately will be the outturn of finished steel during the current year?

Mr Sawday—All materials, about 250,000 tons.

President—That is practically in accordance with the forecast made by the Board?

Mr Sawday—Yes.

President—Next year you no doubt hope that your output will be considerably higher?

Mr Sawday—We hope to reach 335,000 tons which you estimated.

President—That would imply that you would sell larger quantities of steel in competition with the Continental steel?

Mr Sawday—That is right.

President—I have seen it suggested that the Iron and Steel Company should confine themselves to supplying the users of British Standard steel. I gather that is already impossible and it is likely to be still more impossible next year?

Mr Sawday—Yes, because the use of British steel is itself decreasing owing to this difference in price.

President—Do you find that there is a very considerable body of consumers who are prepared to pay something higher for British steel?

Mr Sawday—There always was, and I presume there is still.

President—You have told us what in your estimate will be the output during the current year and what you hope to attain next year. Are you in a position to tell the Board at all how the figures will be divided between different class of material?

Mr Sawday—It depends on how things go. I can give you an estimate.* Whether it is of much value or not depends on the course of prices.

President—We will take it on this understanding that it is what you think is probable. It is nothing more than that.

<i>Mr Sawday</i> —	Rails	120,000 tons
	Sheets	36,000 "
	Plates	20,000 "
	Sheet bars	36,000 "
	Heavy structurals	55,000 "
	Miscellaneous	7,000 "
	Bar mill material	73,000 "

President—Are you in a position to give us any sort of estimate of the quantity of these various classes of materials—those with which we are concerned—which are likely to be purchased by consumers of the first class?

Mr Sawday—Engineering firms—provided they can sell British Standard on the same scale as they have done in the past 13,000 tons
State Railways 5,000 "

These are bar materials.

* Statement VII under Section II of written evidence

President—In the case of plates ?

Mr Sawday—Speaking roughly, 90 per cent of our output is sold to engineering firms and railways

President—You do not anticipate that it will be possible to extend your market for these beyond that ?

Mr Sawday—If the prices of plates go up then we can compete anywhere

President—Can you tell us generally about the Continental plates that are imported into India ? What are they used chiefly for ?

Mr Sawday—By plates we mean 3/16" and up

President—In the Tariff Act 1/8" is the dividing line What is the thinnest plate ?

Mr Sawday—Ours is 3/16" The others are for making tanks, reservoirs, coal tubs, building carriages and so on.

President—I have obtained figures from the Director of Statistics of the importation of plates into India from April to August, that is 1/8" upwards—

British	4,631 tons
Continental	7,689 "

Mr Sawday—I have often followed these figures to see who are importing these in the bazar It is practically always 1/8".

President—I gather that the Continental price of plates is not so important as the British price.

Mr. Sawday—No, it is not

President—For what thickness of plates have you quoted the price of Continental plates ?

Mr. Sawday—3/16" and up

President—You think that of these 7,689 tons of Continental plates that the Director of Statistics says were imported from April to August, a considerable proportion would be less than 3/16" ?

Mr Sawday—The much greater proportion

President—Then in that case British competition may be still very much what it was before ?

Mr Sawday—Yes, it is far more stiff

President—We had better now come to the question of the action which the Tata Iron and Steel Company desire that the Government of India should take In your second letter, dated the 22nd September, at the request of the Government of India you stated the duties which, in your opinion ought to be imposed. Things have been changing so rapidly that these views may not correctly express your desire now You are at absolute liberty to put in anything you want now I would like to tackle the question on rather different lines The latest prices of steel bars have been going down below £6 a ton *f o b* and I gather you have got prices below that Do you consider that the Board should base their proposal on current prices ?

Mr. Sawday—It is very hard to suggest anything if the procedure is such as will take some months We can only ask you now to take the present-day conditions

President—We have had a steady decline in the price of Belgian steel for the last six months Have you any advices from Europe as to what the course of the market is likely to be ? It is for you to say.

Mr Sawday—I tried to find out but the advice is very vague One dealer tells me that firms are exporting at a loss On the other hand we are still at some little distance from pre-war prices

President—Not very much Prices are practically down to pre-war level now For the last three years before the war the average *f o b* price of British rails was £6 a ton, and the average price of Continental mild steel bars was £5-10-0 *f o b*

Mr Sawday—The last quotation was down to that

President—Is there any bottom to this market ?

Mr. Sawday—There must be a bottom.

President—I am bound to give you an opportunity of stating the Company's opinion on this question.

Mr. Surtz—I am afraid I am not competent to advise. It looks as if we must have reached the bottom at £5-10 and in the matter of exchange we have reached the limit at 1s. 6d. in the opinion of many.

President—As regards the price of Continental steel—*f o b* sterling price—do you think that we must take the price at its lowest level?

Mr. Surtz—There is no reason to suppose that they are going up in the immediate future.

Mr. Sawday—The lowest level is to day.

President—That is £5-10-0?

Mr. Sawday—I would like to verify that. Certainly the other quotations are correct.

President—The latest figure from an importing firm is £6-10-0 *c i f*. George Service and Company have given us that figure. Would that correspond to £5-10-0 *f o b*? What do you take to be the freight at present from Antwerp to Bombay?

Mr. Surtz—12s. 6d.

President—On that point George Service and Company state that it is 15s. now and was 15s. at this time last year.

Mr. Sawday—With insurance?

President—Merely freight. They will be coming to give evidence and we can ask them about it. I merely mention it now to put you in possession of their statement.

Mr. Sawday—We are only naturally concerned with *f o b* prices and it was only to-day we enquired about freight. In Calcutta we were told that the freight was 12s. 6d.

President—We may be able to get more information than that. I do not think it is worthwhile attempting to get more information from you just now, but have you any wish to put in any statement before the Board as regards the future course of exchange?

Mr. Sawday—No, sir.

President—I shall just put one more question. Are you in a position to tell us the general opinion about the exchange in financial circles today?

Mr. Sawday—A gentleman in the Financial Department told me that it would stop at about 1s. 6d.

President—I take it that the Board will have to come to a conclusion as to the recommendation it ought to make after considering the course of sterling price during the last six months together with the question of the exchange and after giving such weight as it considers necessary to the fact that your steel is not sold entirely in competition with Continental steel.

Mr. Sawday—Remember also the extension of our production and the extension of our markets. We may be driven and shall be driven, to supply to places where we shall only be able to get a lower price than the Continental. For instance, we are anxious to supply Sukkur with steel piling and other things, and our freight to Sukkur is five to six times the Belgian freight.

President—One of the things I would point out there is that all that was taken into consideration when the original duty was proposed. I do not say that it is outside the terms of the present reference, but we must not stray too far. There is another aspect of the case. I have examined closely your figures, and they show that you are receiving a higher price for part of your output than that at which you could sell in competition with Continental steel. You have told us how things are changing.

Mr. Sawday—Remember also this point that when you said Rs. 180 you meant for ordinary mild steel.

President—You mentioned the special quality bars for the wagon orders. Are you making any other special class of steel except for wagons?

Mr. Sawday—Wagons and underframes.

President—That is all the wagon building industry. What quantities have you supplied of this special class of steel up to date?

Mr. Sawday—The bar mill material is practically all special steels. The 2,500 tons is practically all special class steel.

President—We cannot make an enquiry at this stage into the cost of this special class of steel.

Mr Sawday—No, but please remember it.

President—The problem that has arisen is peculiar in the case of the steel industry. In the case of the other industries, such as the Portland cement, for practical purposes the importations are almost entirely from Great Britain. If a similar question arose in that industry, we would only be concerned with the price of British cement. In the case of steel we have got this complication that part of the steel comes from England at one range of prices, and a very much larger part (in the case of most classes of material) comes from the Continent at quite different prices. The necessity for an off-setting duty has arisen—I won't say entirely but to a very large extent—owing to the fall in the price of Continental steel. The question naturally suggests itself whether the proper way to remedy the situation is not to differentiate between British steel and steel from the Continent, that is to say, a higher duty might be imposed on Continental steel than on British steel. That is a point which inevitably suggests itself for consideration. The moment that question is raised immediately the point comes up of the commercial treaties with some of the great steel making countries. Usually such treaties contain a 'most favoured nation' clause, and to impose a higher duty on steel coming from a country entitled to the lowest rate of duty, would be a contravention of the treaty. That, I understand, is the general position, and therefore we have to consider whether there is any other way by which a similar result might be obtained. One suggestion made is that the duty might be made lower on steel guaranteed British standard and higher on other classes of steel. Do you think that that would be feasible?

Mr Sawday—I do not think it would be feasible. Who is to give the guarantee and who is to test the guaranteed material when it comes here?

President—In the first place when steel is imported at present with a guarantee that it is up to the British standard specification who gives the guarantee?

Mr Sawday—The guarantee is normally given by the maker.

President—Then if the steel does not pass the tests the only remedy the purchaser has is to sue the seller in the Courts?

Mr Sawday—In the interests of both the importer and the maker the importer gets it invoiced at a higher price and pay the guaranteed material duty.

President—Apart from the danger of deliberate fraud or evasion—a danger which always exists—is there anything to prevent the Continental manufacturer meeting this by giving guarantees?

Mr Sawday—He is manufacturing to British standard at 10 to 15 shillings extra. He is already giving the guarantee. You will only effect the matter by the duty on that.

President—I take it that it would probably be necessary, if that plan were adopted, to maintain a pretty close control on the imports, that is to say, when consignments came in from the Continent it would be necessary to inspect them.

Mr Sawday—It would be impossible.

President—It would be very laborious, perhaps not impossible.

Mr Sawday—The number of consignments would be very great.

President—Of course the moment they could get the steel in at a lower rate of duty, it might be well worthwhile to give the guarantee.

Mr Sawday—As a matter of fact, the administration would prove impossible.

President—I gather that you have two objections to the proposal.

• (1) practical administration would be very difficult,

(2) it would not be effective because at the most it will only mean a difference of 10 to 15 shillings in the price of Continental steel which of course would go a very short way to bridge the gulf.

Mr Sawday—Yes.

President—There is another suggestion which has been made, namely, that a higher rate of duty should be imposed on all steel which was invoiced below a certain limit of value, or rather whose real value was below a certain limit. Are you prepared to give any opinion on that?

Mr Sawday—It seems to me that if you followed that to its logical conclusion you would tax everything which was below Rs 180 by the difference below Rs 180 and the invoice price. The importer would evade the duty by invoicing at a high price.

President—Do you think that it would lead to false declarations?

Mr Sawday—I am sure it would. It would lead to deferred rebates and all sorts of methods of evasion

President—Supposing the duty were uniform on all protected kinds of steel without attempting to differentiate in this way, to what extent are imports of British steel likely to be affected? What is the volume of the trade likely to be affected? The objection to a uniform rate of duty is that you are putting an unnecessary burden on people who want to buy British steel. I looked into the figures and I found them rather interesting. Unfortunately the Trade Returns are not helpful. All the heavy structurals are lumped up in that absurd entry "beams, channels, pillars, girders and bridgework" and you never know whether you are dealing with fabricated or unfabricated material or a mixture of both. But in the case of bars, sheets and plates the British imports can be separated.

Mr Sawday—Yes. In August 885 tons of bars were imported from the United Kingdom, and a high proportion must have been special quality bars which are not protected.

President—Some of the unprotected bars may come from the Continent, but judging from the values the great bulk must come from the United Kingdom. I might perhaps mention the figures for the last three years. In 1922 the total importation of bars from April to August was 83,000 tons, of which 8,500 came from the United Kingdom, that is just over 10 per cent. In 1923 the importation fell to 53,000 tons of which 6,500 came from the United Kingdom, that is 12½ per cent. In 1924, taking these 5 months, the importation has gone up to 93,000 tons of which 6,700 tons, that is just over 7 per cent came from the United Kingdom. The point is that these figures tend to show that, apart from any action that may be taken by the Government of India, the wide difference between British and Belgian prices—taking British common bar for instance—will drive the British common bar out of the market. Is that your impression?

Mr Sawday—Certainly.

President—Taking sheets and plates together—they were not divided in the figures of previous years—in 1922 the percentage of the total of these 5 months that came from the United Kingdom was 42.5, in 1923 67 per cent, no doubt owing to the occupation of the Ruhr, in 1924 it has dropped to 24 per cent. The Director of Statistics enables us to give the percentage for these last five months for plates and sheets separately—plates 37½ per cent and sheets 16½ per cent.

Mr Ginnwala—In reply to the President you stated that only certain kinds of steel are involved in your application, that is to say structurals, plates and so on, and you do not include rails. Are you right there?

Mr Sawday—The position regarding rails is as you left it, it has not altered.

President—The exchange has altered.

Mr Sawday—The exchange has altered now, but our orders were placed before and only a small quantity is affected by the exchange.

Mr Ginnwala—You have said that you hope next year to produce 120,000 tons of rails. The Railway Board and other railway contracts do not amount to more than 70,000 tons perhaps?

President—When the E. I. and G. I. P. Railway contracts fall in, will the rails supplied to them come under the Railway Board's contract?

Mr Sawday—Yes.

Mr Ginnwala—I am just trying to put it to you that the position is not so simple as you think. If your output goes up to 120,000 tons, there would be about 50,000 tons not disposed of under contracts the price of which will be governed by the duty of Rs 14 a ton, plus the bounty. Is it not so? You do not expect to make an application every three months!

Mr Sawday—Our position will improve and not get worse.

Mr Ginnwala—But how is it affected by the question of exchange?

Mr Sawday—Our sales to Railways calling for tenders in England are of course adversely affected by the exchange.

Mr Ginnwala—Supposing the exchange rose to 1s 8d, then you will come up again after two months. You must realise that that may be objectionable.

Mr Sawday—If you will take up the question of rails also now we shall be grateful.

Mr Ginnwala—It is not that. What I wanted to know was whether you had put up a complete case?

Mr Sawday—As far as rails go our case is incomplete.

Mr Ginnwala—You will perhaps modify your answer to the President to that extent?

Mr Sawday—Yes.

Mr Ginnwala—What alterations have you made in your production? You know the kind of steel we are dealing with. You have mentioned mild steel.

Mr Sawday—Since then we have taken on the manufacture of A B C and D grades of steel which require different tests. The demand for them is not of course great. Special analyses of steel have to be made in the furnace and that has to be taken to the rolling mill and rolled up to its own special section which means increased cost.

Mr Ginnwala—Do you get better prices for that?

Mr Sawday—We should do, but we have to quote for wagon orders an all round price. We are getting rather a better price.

Mr Ginnwala—Supposing your ordinary all-round steel is Rs 100, what would be the price of this special steel?

Mr Sawday—Rs 115 to Rs 125.

Mr Ginnwala—How much is that special quality out of your total programme?

Mr Sawday—2,500 tons on the wagon orders.

Mr Ginnwala—Then it is a very small percentage of your total production?

Mr Sawday—It is sufficient to raise the average.

President—I think in taking your average price we can eliminate them. I would rather you stuck to the price at which they were booked. It is more convenient first to know the price at which you could book orders.

Mr Ginnwala—Putting it generally, may I take it that there is no substantial variation in the output as a whole?

Mr Sawday—Roughly speaking that is correct.

Mr Ginnwala—Is there anything in the British Standard specification which would prevent Belgium from producing according to that specification?

Mr Sawday—They can do it, but it restricts their output.

Mr Ginnwala—That is to say, they will have to be more careful?

Mr Sawday—They will get lesser output.

Mr Ginnwala—But apart from that there is no difficulty in manufacture?

Mr Sawday—No. A good deal is already coming with standard test.

Mr Ginnwala—Can you manufacture the kind of steel that Belgium is manufacturing?

Mr Sawday—We can do it. We have often considered whether we should manufacture a lower grade, but the decision has always been against it.

Mr Ginnwala—You consider that it would be detrimental to the industry and to the name of the country if any attempt was made to reduce the quality of the steel?

Mr Sawday—Yes.

Mr Ginnwala—There has been, as you pointed out, and as the President pointed out, a considerable increase in the imports of Continental steel. Do you consider that these imports are genuine or speculative?

Mr Sawday—I believe the imports that came in August, for instance, were speculative.

Mr Ginnwala—Your view is that steel was ordered in anticipation of the tariff coming on?

Mr Sawday—I believe so.

Mr Ginnwala—And it is also possible that there might have been speculation in anticipation of this application being favourably considered?

Mr Sawday—Yes.

Mr Ginnwala—There was provision in the Act under which application was possible and there might have been speculation on that basis also?

Mr Sawday—There might have been. Importers have been regretting their purchases and have been anxious to get rid of their stock.

Mr Ginnala —The position is this. Supposing your application is favourably disposed of, you will be helping the very people who have reduced you to this position. In that case is it in your interest that these people should benefit?

Mr Sawday —They are dealers and we are dealers and we sink or swim together.

Mr Ginnala —Supposing this Board recommended an increased duty of Rs. 40 or Rs. 50 per ton on common bars, these people who have been speculating benefit to the extent of Rs. 40 or Rs. 50 a ton. They have got these very large stocks and you have also got very large stocks. Until these stocks are exhausted how are you going to benefit?

Mr Sawday —We cannot benefit until the dealer is ready to stop selling at a lower price. When last time a tariff was put on, it did not have an effect on the bazar for five or six weeks. The stocks in the country have got to be got rid of even if the tariff duty comes on.

Mr Ginnala —That is to say, the extent to which the speculator would benefit would depend on the time for which he can hold these stocks?

Mr Sawday —Yes. Beyond a certain period his resources are exhausted.

Mr Ginnala —Have you any idea of the stocks in the country?

Mr Sawday —That is impossible to say. The information we have as regards bar mill material in Calcutta shows that it would be about 22,000 to 24,000 tons, say, enough to meet four months full demand.

President —Have you any information as regards the stock in Bombay?

Mr Sawday —All that I know from what the firms in Calcutta told me is that the stocks in Bombay are big and that people there are still less able to hold them.

Mr Ginnala —Will you give us the quantities you have in stock?

President —I think it would be better if you could supply us with figures as to how your stocks accumulated since our recommendation.

Mr Sawday —I will send you a statement.

President —Perhaps you have no objection to the figures given by Mr. Mather being used, but I think it would be better if the Board were to get it from the Company.

Mr Sawday —I will get it for you.

President —I should also like to have your production figures. I don't think even Mr. Mather has got them.

Mr Sawday —I shall send you the information.*

Mr Ginnala —Has it been necessary for you to make any great departure in your production in consequence of the stocks increasing?

Mr Sawday —We have decided recently to close our merchant mill.

Mr Ginnala —We read something about it in the newspaper. What I understood was that you were reducing your output of pig iron.

Mr Sawday —We have considerably large stocks of coke ready for use in the blast furnace. We have therefore closed part of the coke ovens. We are closing the merchant mill as far as we can.

President —That is the new bar mill?

Mr Sawday —Yes.

Mr Ginnala —What about the old mill?

Mr Sawday —The old 16" mill is still running. The new 10" mill and the 16" mill between them can turn out sufficient quantities for our present purposes.

Mr Ginnala —What I want to know is this. That does not give me any idea at all as to the reduction in your output, leaving alone the pig iron for the moment. Is there going to be any reduction in your total production of steel?

Mr Sawday —It is a diversion of the output to other channels.

Mr Ginnala —There is no reduction in that case.

Mr Sawday —No. The reduction of pig iron and coke and the steel output is being diverted.

Mr Ginnala —What do you mean by diversion?

Mr Sawday —It is being rolled elsewhere.

* Statement VIII under section II of written evidence

Mr. Girwala.—Instead of bars you may make rails but it does not affect the total production of the industry.

Mr. Sarday.—I hope it will—favourably

Mr. Girwala.—On the whole your total output is not reduced but you divert your energies to better channels *

Mr. Sarday.—That is merely a temporary phase. In the next month we will have a bigger quantity of steel. That is purely a temporary phase as regards the merchant mill and next month, as soon as the Duplex furnace is ready, our output of ingots will increase again.

Mr. Girwala.—So far as the blast furnaces are concerned, I take it that you are curtailing your surplus production of pig iron with reference to your requirements for the manufacture of steel, and that would enable you to finance the position better ?

Mr. Sarday.—It will certainly have its effect. It must of course.

Mr. Girwala.—That is mainly because you find, I take it, that the sale of pig iron is not remunerative just now *

Mr. Sarday.—This month and next month we will shut very heavily and after that it will probably go down.

Mr. Girwala.—In that table we have asked for you may put in this. You gave certain estimates of your programme for 1924-25, 1925-26 and 1926-27. I would like to see what variations you have made in that programme.

President.—I do not think they gave it year by year. I do not think that Tatas are in any way responsible for that programme. I think Mr. Mather and I were responsible for that.

Mr. Girwala.—Anyhow you have a programme for every year. We had certain figures from which we have made our estimates. In one respect you have increased your output, that is, in the case of rails. You expect 120,000 tons for next year.

Mr. Sarday.—Yes.

President.—Take our estimate and compare it with what your present programme is, for this year and for next year. Would it be possible to let us have what you think you would probably do this year side by side with our estimates for this year and similarly for next year ? It would be useful to have it.

Mr. Girwala.—It is of importance this way. If you can reduce your production of bars, say by 25,000 tons, and increase your production of rails, you come less into competition with Belgian steel. That is why I was asking you for that. As it happened we differ by about 15,000 tons from your estimate for 1925-26 in the matter of rails.

Mr. Sarday.—Who can say what orders would be coming. I can only guess now in the light of present knowledge. You say plates—30,000 tons—I do not hope to arrive at that.

Mr. Girwala.—I may draw attention to the fact that in your estimate of full production you said 48,000 tons.

Mr. Sarday.—Otherwise your estimate corresponds closely to mine.

Mr. Girwala.—With regard to your proposals as regards fluctuation in exchange, what do you suggest the Board ought to do for constant fluctuations ?

Mr. Sarday.—What other countries have done. There must be somebody to take immediate action.

Mr. Girwala.—Which other country you are thinking of ? I think no executive Government has got such big powers as this Government in the matter of meeting such difficulties.

Mr. Sarday.—I think they have. One firm despatched some pig iron to Australia, and was liable to a duty of £2 whereas the British pig iron was liable to a duty of £1. The authority in charge raised the duty to £3-6-0 between the time the pig iron came into docks and the time it was unloaded.

President.—We know that the Executive Governments in the United States, some British Dominions and some Continental countries have wide powers to impose additional duties for specified reasons, that is to say when the exchange depreciates and so on. What Mr. Girwala was suggesting was that the Legislature in other countries has not delegated such wide powers of imposing additional duty merely because the price has fallen, irrespective of the reasons why the price has fallen.

Mr. Girwala.—In the next place the Indian exchange does not fluctuate as much as 50 per cent. If you take similar powers when there is a variation up to 50 per cent

in the exchange they can make good the difference, but when it goes to 200 or 300 per cent as in the case of the French or the Belgian exchange, in that case no other Executive Government can rectify the matter, but this Government can. That is what I am pointing out to you. Assuming that there are these powers, how do you suggest that they should be exercised from time to time? Have you any ideas on the subject?

Mr Sawday—It will suit us if Government delegates its powers in a way so as to ensure more rapid action and draws up a sliding scale based on the exchange.

Mr Ginnala—You have been following the exchange for the last ten days. It went up to 1s 6½d and in two days it dropped to 1s 5½d.

Mr Sawday—I do not see how you can devise for variations of that rapidity. You are now considering it. The difference of 2d has not occurred more rapidly than it could be provided for.

Mr Ginnala—I do not say that there should be any provision for meticulous changes, but changes which will affect prices by 5 per cent or more would matter to the industry?

Mr Sawday—Very considerably.

Mr Ginnala—In that case what is your proposal?

President—Mr Ginnala is contemplating some sort of system by which—I won't say automatic—it should be a recognised thing that if the exchange fluctuation exceeds a certain limit it should be followed by an increase or decrease in the duty.

Mr Sawday—I did not come here prepared with such suggestions. The next time I come I shall tell you what we do think about these suggestions.

Mr Ginnala—It must not be purely a theoretical suggestion because we could make quite as good, but it must bear some relation to practice. If you have any proposal which is practical it would be of great use to us. At present you feel the competition most from Belgium?

Mr Sawday—Belgium and France.

Mr Ginnala—Supposing there was differentiation, it must be by countries?

Mr Sawday—It looks as if it is the only practical way certainly differentiation by price is going to land you in difficulties.

Mr Ginnala—In that case you will have to say so much against Belgium, so much against Germany, so much against France and so much against Britain. The main objection to this is that there may be re-shipment from favourable ports. But in practice will that benefit you, supposing the thing was feasible?

Mr Sawday—Supposing you push up the prices of Continental material and leave the British alone, it will push the sales of British standard.

Mr Ginnala—If you use British standard, Belgium can manufacture according to the British standard?

Mr Sawday—They do not normally manufacture. They take special orders.

Mr Ginnala—They can depart from their usual practice and manufacture if they want to compete.

Mr Sawday—Yes, but if you push up the prices of Continental material?

Mr Ginnala—Then if you push up the price of Continental material you only get a certain market. Your output will reach 400,000 tons when you have the Greater Extensions in full operation, but the point I am considering is this. Supposing the situation had not changed, then without competing against the Continent to any large extent, would you have got the market for the whole of the 400,000 tons or most of it?

Mr Sawday—No.

Mr Ginnala—Supposing the situation had not changed at all? I think it was stated in the evidence that so far as you were concerned you were not likely to be seriously affected by competition from Continent.

Mr Sawday—Our steel is British Standard.

Mr Ginnala—And there was a market large enough for your purposes.

Mr Sawday—I do not know who said that.

Mr Ginnala—The general impression left in my mind is that, so far as the bulk of your production was concerned, you were not likely to be seriously affected. Of course there

may be certain Continental material in which you may have to, and can compete up-country

Mr Sawday—I would agree to that still, if the British standard could command as much sale as it did before. I believe provided the engineering firms developed—the 25 per cent on fabricated was designed to that end—we could do with the British standard all over India for most of our materials without competition against the Continent.

Mr Girwala—My recollection is that I asked Mr. Peterson how he will dispose of this steel. His reply as far as I remember was to that effect. So far as the bulk of your production was concerned you could dispose of it because it competed against British goods. So far as it competed against the Continent it was up-country where with your superior steel and advantage in freight there was no reason to suppose that there would be any difficulty in getting rid of the bulk of your output which remained. Has that position changed?

Mr Sawday—It has changed because the difference between the price of Continental and British steel has reacted on the use of the British steel.

Mr. Girwala—As the President has pointed out, the figures of British imports have fallen so low that it is apparent that British steel has almost ceased to compete. In that case is it any use taking into account the British steel so far as the present situation goes? From the practical point of view it is not necessary to differentiate between British and Continental, British steel having already gone out of the country so to say.

President—With the only qualification that it is not quite to the same extent in all classes of materials.

Mr Sawday—Yes, such as big joists.

Mr. Girwala—Supposing we came to the conclusion that, so far as the British market in this country was concerned, you had captured all that was to be captured, and that you could not dispose of your surplus except by competing against Continental imports, will that be right?

Mr. Sawday—Broadly speaking, I think it is correct.

Mr Girwala—It would apply to bars particularly?

Mr. Sawday—I think it would apply more to bars than other things.

Mr Girwala—And the present situation as to plates is pretty much the same because you can sell much more than you can produce.

Mr. Sawday—We can produce more than we can sell.

Mr. Girwala—In that case plates would not be covered by that proposition?

Mr. Sawday—My position is that the proportion of British plates used is much higher than in the case of bars.

Mr Girwala—If the gulf between the two becomes wider then they will cease to come into the country except for special purposes?

Mr Sawday—No, I am very doubtful about that. People do not stock plates. The ordinary bazar merchant does not stock 3/16" in any quantity. If it is wanted it is wanted for a big firm and big work, and then they place an order. It is not merchant material in the same way as bars or as black sheets.

Mr Girwala—Then it would apply to light structurals?

Mr Sawday—That will come with bars entirely.

Mr Girwala—You will remember our recommendation generally was that the Tata Company should get Rs. 150 all round and Rs. 175 for structurals, that is how it was generally put.

Mr. Sawday—Yes.

Mr Girwala—You have given us the realised price per ton in the last four months.

Mr Sawday—Yes.

Mr. Girwala—We intended that you should get Rs. 175 for structurals and as for the rest Rs. 150 per ton. How much did you get? I want the money value. It is a factor that may have to be taken into account, and then some of these stocks you have may be forward sales under contract. Can you show separately how far out of your stock and your future output you are committed to sell at a certain price?

Mr Sawday—It is down to a lower figure than it was before.

Mr Ginnala—In that case, with the stocks in the country, the stock you have in hand and the production you are going to have it strikes me that it is a very difficult position. What do you suggest?

Mr Saurday—We are asking the only thing that we can ask. You cannot force people to buy our stocks at the price we want even when the duty goes up. We know that.

Mr Ginnala—Supposing recommendations were made to-day, I want to know how many months it would take before you begin to get any benefit of them?

Mr Saurday—Assuming that exchange does not go up and the sterling price of Continental steel does not go down, I think two to three months now.

Mr Ginnala—You will be able to get rid of all the stock you have in that time?

Mr Saurday—I should think so.

Mr Ginnala—Supposing the duties are increased, they would begin to be effective within that time really speaking?

Mr Saurday—Yes, they would begin to make it felt in the bazar, in the meantime we will get the benefit of selling things in the bazar which are not available in the country.

Mr Ginnala—How much is that?

Mr Saurday—It is fairly substantial.

President—I notice that you have been booking orders almost as fast as you have been producing steel. That must mean that you were getting orders for special sizes although you could not sell your stock sizes?

Mr Saurday—It is quite a good proportion of our output. In other words, a great number of our orders are wanted quickly.

President—Say, wagon materials, nobody would stock that.

Mr Saurday—No. The engineering firms orders are for rapid delivery.

Mr Ginnala—You supply to the engineering firms about 30 per cent of your output?

Mr Saurday—About 50 per cent of our beams and bars output and plates.

Mr Ginnala—Then the real competition is in respect of the balance?

Mr Saurday—Yes. We have got, say, three weeks' work in hand at prices already settled. After that we shall begin to feel the benefit on, speaking roughly, 50 per cent. of our bookings. For instance, when you put the tariff up before we did get some benefit from the engineering firms by putting the base price up before the tariff was passed, but we never got any benefit from the bazar.

President—It all depends on whether sale is taking place from the stock in the country?

Mr Saurday—Yes.

Mr Ginnala—You told us that you were reducing your output of pig iron. How much surplus would you have under your scheme of reduced output?

Mr Saurday—For the next two months nothing. In the next two months we have got to make, 9,000 or 10,000 tons for America, rather more, say 12,000 tons. We hope from now we shall not get into stock at all.

Mr Ginnala—That is to say, you would make pig iron only for your steel works?

President—If you have already accumulated large stocks you will have to cut down your production.

Mr Saurday—We have cut down one furnace, but still we have to make for export.

President—What is in Mr Ginnala's mind is how many tons of ingots are you likely to produce during the year and what surplus of pig iron will you have left?

Mr Saurday—Now onwards we hope to have no surplus.

Mr Ginnala—Have you not got certain long term contracts for the supply of pig iron?

Mr Saurday—We meet most of the Indian demand from stock.

Mr Ginnala—We want to know how your programme is going to differ from our estimate.

Mr Saurday—I believe our programme will approximate your estimate as regards steel.

Mr. Ginzala—Look at page 45, paragraph 79 of our Report. What we want to know is whether these figures will hold good during this period? 40,000 tons is an important figure.

Mr. Sawday—We will always have that 40,000. We shall always provide for our normal sales in India.

Mr. Ginzala—If you say that all through this period you will always have this surplus 40,000 tons of pig iron, I have nothing to say.

Mr. Sawday—After selling we hope we won't have any surplus. That 40,000 tons is for sale.

Mr. Kale—You have told us that you want to adhere to the British standard and do not want to lower your quality. But will it not be desirable to produce just what the country wants?

Mr. Sawday—We feel that if we produce a lower quality we shall get a bad name.

Mr. Kale—But if the consumers in India, on account of the low price of Continental steel, begin to use larger and larger quantities of that kind of material, will it not be worth your while to meet that demand?

Mr. Sawday—There is a lot to be said in favour of that course. On the other hand, we can say that after spending years on what we have now built up we cannot throw it away.

Mr. Kale—You can make both kinds.

Mr. Sawday—We shall have to provide distinguishing marks and in the case of flats, round and squares we can't put our name on them.

Mr. Kale—But if the situation develops as it has developed, and the consumer in India demands more and more of Continental steel, you may have to consider that possibility. That is what I am pointing out.

Mr. Sawday—Yes.

Mr. Kale—Am I to understand that, if Belgium produces steel up to British standard specification, the cost of production will increase and in that way you will be able to compete better than you are at the present moment?

Mr. Sawday—It only means addition of 10s. to 15s. a ton.

Mr. Kale—You have again told us that probably you will take two to three months to work off the present stocks and whatever additional duty may be imposed will have its effect after that.

Mr. Sawday—I think it will have an effect on bazaar prices.

Mr. Kale—There will be a slight effect even now but that will not be very considerable. Am I to understand that you would like that duty to continue longer than it would otherwise do because for the first three months you will not be getting the effect of it?

Mr. Sawday—Certainly.

Mr. Kale—Because, if it takes three months to get any beneficial effect, and if the Government were to revert to the old duty, then you may not be so much better off as you expect.

Mr. Sawday—No.

Mr. Kale—Suppose the additional duty were imposed to-morrow, even then it would take three months to get any benefit from it.

Mr. Sawday—If you had power to put it on with retrospective effect we shall be able to get some benefit in about three or four weeks.

Mr. Kale—You were asked some questions about fluctuations in exchange and the consequent effect upon the import price and also upon competition that you have to face. Will not alteration in duty from time to time still further stimulate speculation? Of course, it is a very difficult question that we have been considering as to how to meet the effect of these fluctuations in exchange, but if Government were to exercise the power to alter the rate of import duty in relation to the rate of exchange prevailing from time to time, will that not lead to further speculation and undesirable results on your sales?

Mr. Sawday—I do not know whether one effect of that action will be to stabilise prices in India. It may well serve against speculation.

Mr. Kale—If Government take any action just now it will have a steadying effect?

Mr. Sawday—If Government take definite action against exchange variation that will stabilise prices.

Mr. Kale —If Government take action from time to time will not speculation be kept up?

Mr. Saurday —It is the sudden and serious changes that promote speculation rather than small and steady changes.

Mr. Kale —You would restrict the action taken by Government to certain changes in exchange, but not to all changes?

Mr. Saurday —Your taking action once in six months will have a less steady effect than taking action every three weeks.

Mr. Kale —Do you mean to say that there would be any difference between these positions?

Mr. Saurday —It is a psychological question

**ORAL EVIDENCE OF Mr. R. D. TATA AND Mr. S. K. SAWDAY REPRESENTING
THE TATA IRON & STEEL Co., LD., RECORDED AT BOMBAY
ON MONDAY, THE 20th OCTOBER 1924.**

President—Our original intention was to examine Mr. Sawday this morning, and the questions we wanted to ask were about figures. He has been preparing certain statements for a while which are not ready and, I think, it will be convenient if we defer his examination till 3 o'clock this afternoon. Meanwhile we are much indebted to you, Mr. Tata, for coming to meet us. I understand you are prepared to give your opinion on the question of exchange in so far as it affects the proposal for additional duties on steel. The question we put to Mr. Sawday on Friday was, we know what the exchange is at present, we know what it has been during the last six months but we do not know what it is going to be during the next six months. Can you tell us what the general opinion in commercial and financial circles is as to the future course of the exchange?

Mr. Tata—It all depends upon the Finance Member, but from his writings and speeches the mercantile classes are afraid that, if he can push up the exchange, he will do so. When I was last in Delhi just when this question of tariff was going on, I had a long discussion with the Finance Member, and I particularly impressed upon him that he must consider our own exchange before he considered the Belgian exchange or the French exchange. At that time it was 1s. 14 and I explained to him that if our exchange went up that would upset everything. He took pencil and paper and asked me "What will happen if the exchange went up to 1s. 8d." and noticed "even if I forget whatever you ask, you won't get anything at all." Now it has gone up from 1s. 14 to 1s. 6d., and we do not know whether it will go up to 1s. 8d. The Government have power to push it up, but I told him that it should not go up more than 1s. 6d. They can fix it at 1s. 6d.

Mr. Ginnala—How can you say that they can fix it at 1s. 6d.?

Mr. Tata—They can do it.

President—What you mean is that the course of exchange can be regulated by the amount of sterling purchases the Government of India chose to make, and that if they raised the rate at which they were prepared to purchase sterling, the effect might be to raise the exchange substantially?

Mr. Tata—In case of stringency of money they can raise the exchange.

President—Apart from what the Government of India is going to do, I gather that trade promises to be good, and that there is a strong and increasing demand for currency to finance the jute, cotton and other crops. The exchange having gone up to 1s. 6d. and assuming that Government meet the demand for currency, do you anticipate that the exchange will fall below 1s. 6d. during the next six months?

Mr. Tata—No, I don't think so. At least the trend of the thing is to go higher, and the opinion of the mercantile community is also that, though some say that the Finance Member will not like to go beyond that, but that is only a personal opinion. It will also depend upon stringency. The balance of money deposited in the Imperial Bank is only 28 per cent, whereas at this time last year it was 42 per cent. Other exchange banks have got plenty of money at present, but I do not know what is going to happen when the cotton season begins in earnest.

Mr. Ginnala—Apart from your opinion of what the Finance Member can or cannot do would it be safe for us to assume that 1s. 6d. under present conditions would continue?

Mr. Tata—Yes, I think so.

Mr. Ginnala—Then supposing we make our recommendations assuming that your application is granted, at 1s. 6d. and the exchange goes up to 1s. 8d., will you come up with a fresh application or will you propose some machinery to rectify it?

Mr. Tata—It will depend upon the price then ruling.

Mr. Ginnala—You see, the Legislature has decided that the steel industry ought on the average to get Rs. 180 a ton so that the consumer knows what his limit of liability is. That is to say, the Legislature intended that he should buy his steel at Rs. 180 in this country, so that can the consumer say anything so long as he has not to pay anything more than Rs. 180? But you will have to say something if the exchange rises from 1s. 6d. to 1s. 8d. In that case either you have to make a fresh application, or there must be some machinery by which the difference can be rectified. Now what machinery do you suggest for that purpose?

Mr. Tata—The same automatic machinery that you will be devising now. When it is 1s. 6d. you will have to utilise some machinery for our getting Rs. 180 a ton. The same thing will have to be done again. If it is a matter of a difference of Rs. 5 or 6 I don't

think our Company will insist upon that, but if there is a difference of Rs 20 and Rs 30 as it is now, then of course something must be done

President—Mr Ginnwala's enquiry is whether it is possible, without insisting upon another public enquiry by the Tariff Board to devise some means by which, if the movement was anything less than half an anna in the rupee no action need be taken, but if it was more than half an anna whether you wish us to propose some sort of machinery

Mr Ginnwala—Supposing it was something like this The exchange is taken at, say, 1s 6d If there is a variation of half a penny or a penny which made a difference of Rs 4 or Rs 8 a ton, the executive authorities which collect the duty add that amount, apart from the fact whether it arise from a difference in the actual import price or not

Mr Tata—That is the only way in which one can do that As far as I can remember, when we first submitted our representation, we mentioned that it must be according to the exchange

Mr Ginnwala—If you take the cross exchange into account then the difficulty really arises, but if you say you don't care what the Belgian exchange is, if the sterling exchange rises above 1s 6d. by half a penny or whatever the figure may be, it should be added

Mr Tata—What we are looking to is to get somewhere near Rs 180 Whether the market is booming, or even if the exchange goes up, if we get our Rs. 180 we won't come to you at all.

Mr Ginnwala—I am trying to find out whether you have thought this out Supposing there is a boom but the exchange remains the same, if we suggest this automatic machinery then you think it must operate?

Mr Tata—If there is any automatic machinery we will not come to the Tariff Board

Mr Ginnwala—You see the difficulty Last year, for instance, during the Ruhr occupation prices jumped up a bit If prices go up to £10 f o b it will very nearly bring up the import price to Rs 180, but supposing for some reason or other the exchange rose to 1s 8d, what will you suggest should be done?

Mr Tata—For every half penny the customs authorities should charge a higher duty

Mr Ginnwala—That is to say, the Government must take the risk of the foreign price going up simultaneously with the rise in the sterling exchange Supposing, as I said, there is a big boom in Europe and the prices go up, and steel comes in c i f at Rs 180 a ton and simultaneously with that the exchange rises to 1s 8d, even then this automatic machinery must put an extra duty? For every half penny you suggest that that risk ought to be taken?

Mr Tata—Yes, it ought to be taken

Mr Ginnwala—Let us take the reverse Supposing exchange dropped below 1s 6d?

Mr Tata—So long as we get Rs 180 we do not mind it

Mr Ginnwala—The point is not as long as you get Rs 180 but so long as the consumer has not to pay more than Rs 180, it does not matter how the duty is varied

Mr Tata—As long as our base price is Rs 180 we will be quite satisfied whether the exchange goes up or goes down or the foreign exchange goes up or goes down Government must find a machinery that will act at once. Now, this process has been going on. We applied in July and they said it was too soon We said 'here is our case and we want to make a representation' and we got a letter that it was too soon

Mr Ginnwala—Don't you agree that it was too soon?

Mr Tata—We knew when the Tariff Bill was passed that it was going to happen

President—Well, if the Government of India are not prepared to act, that closes the question

Mr Ginnwala—Do you mean to suggest that as early as June you had made out a case for any action to be taken by Government?

Mr Tata—Yes, the Continental prices were going down

Mr Ginnwala—The question is whether in June or July there was material upon which a case was made out for any action to be taken by the Government?

Mr Tata—Yes, but not to that extent as it is now

Mr Ginnwala—You consider that from the 12th August up to now there has been excessive delay?

Mr Tata—Yes, and the Government of India should have at once seen to it Now, it will be at least three months, and then if anything comes up perhaps it will take another three months It ought to be done in a week by a body which is a fixed body

Mr. Gidycz—Facing with your long preparation you are not able to supply us the figures you want, it is not possible for the Government of India to take action in a week!

Mr. Gidycz—It is a daily date necessity for us. We cannot go on, that is the trouble. In any case, even a month or two months or even three months would not matter.

President—All we can do is that we can make our recommendation as to the manner in which the Government of India should take action as delegated in the Act. I do not know whether the Government of India will be prepared to go quite so far as Mr. Gidycz wants, but they ought to go, whether they should make any alteration in the duty imposed on the exchange.

Mr. Hale—You said that you had wrote to the Government of India in July. What was the rate of exchange at that time?

Mr. Tata—I can't tell you. It was not so high as it is now, but I think it was higher than 1s. 4d.

President—I think the rate you quoted was a little over 1s. 5d.

Mr. Mather—The average for July was 17 1/2.

Mr. Hale—Even in July you had some ground for apprehending that this higher rate of exchange would have some adverse effect on the prices you were to obtain?

Mr. Tata—Yes.

President—Was it an official letter that you wrote?

Mr. Tata—No. It was a semi-official letter. We did not know how to proceed. We applied to the Government of India, and we never knew that Government after enquiry would send it on to the Tariff Board. We did not know what was the process.

Mr. Hale—I wanted simply to ascertain whether on account of the slight rise in exchange the protection that was granted was not adequate?

Mr. Tata—It was not a slight rise—from 1s. 4d. to 1s. 5d. It was rather high.

Mr. Hale—It was then rather inaccurate to say that it was too early for you to apply?

Mr. Tata—It was not quite too early.

Mr. Hale—You think that in any measure that may be taken for giving you adequate protection the action that Government should be enabled to take should be prompt?

Mr. Tata—That is what we want.

Mr. Hale—Promptitude is the essence of the whole thing?

Mr. Tata—It is very essential for the Company situated as at present.

Mr. Hale—Whatever method Government adopts, it should have this feature, namely, that it should be prompt in giving what assistance is intended by the protective Act.

Mr. Tata—Quite right.

Mr. Mather—Supposing it was possible to devise some scheme under which the duty was to fluctuate automatically in accordance with the exchange, then as Mr. Gidycz's question made clear, there would also be the complication that the market prices might be working in the opposite direction. Do you think it would be possible also to suggest any scheme for automatic adjustment in accordance with market prices, and if so, how would you ascertain the market prices? Do you think that Government should be expected to ascertain market prices?

Mr. Tata—If you suggest any automatic scheme so that our prices will come up very near to Rs. 150, whether the exchange is going up or going down or the prices are booming, if any such scheme can be arranged almost automatically, we can go on. That is what we want and promptitude is the chief thing. Whether it is Rs. 2 less we do not mind, if it is promptly done.

Mr. Mather—I quite understand that is what you want. What I was wondering was whether you can suggest how Government could devise such a scheme as that. The machinery for taking into account the effect of the exchange automatically is fairly obvious, because the knowledge of the exchange is a public matter that everybody has available from unquestionable sources. Do you think that there is a way of arriving at the market prices which Government should be expected to take for automatic treatment of that kind?

Mr. Tata—Government can always obtain from Customs' invoices the market prices of the day.

President—What Mr. Mather wants is the means by which the Government can promptly satisfy itself as to what the actual sterling price of the imported material was.

Mr. Tata —You could know that from the Customs office, from the invoices coming in

Mr. Mather —Do you think that is a satisfactory source of information ?

Mr. Tata —I think that is the only source of information.

President —Supposing that the importers came to know that the Government would determine the price at which steel was coming in entirely from these documents, do you think that could be relied on ?

Mr. Tata —A lot of fraud is done even now also They will be punished.

Mr. Ginzala —The trouble is to catch them *

Mr. Tata —That is indeed a very difficult matter.

Mr. Kale.—Could you not get the prices by cables ?

Mr. Tata —We get them every week.

Mr. Kale.—Is that a reliable source ?

Mr. Tata —Government may say that all prices are not reliable. They might get them very easily Even in the most authentic paper you get them. There are the Iron and Steel journals They are very authentic.

Mr. Mather —I think that in your representation you point out that the quotations in the Iron and Coal Trades Review are not to be relied on absolutely, because they are higher than the prices at which steel can actually be bought.

Mr. Tata —English prices ?

Mr. Mather —Both English and Belgian.

Mr. Tata.—More or less we rely on these prices also

Mr. Mather —You make a deduction from them ?

Mr. Tata —It changes every day but the Government may get the information by wire We get our information and of course Government has to rely on ours

President —There is one other suggestion, perhaps I might put to you That is whether it would not be expedient that the Tata Iron and Steel Company should keep Government supplied with information monthly. I mean the kind of information which the Board has been asking for If we could devise forms in which that information should be compiled monthly, and supplied to the Government of India so that the information necessary would be constantly on record and brought up to date every month, that would save delay

Mr. Tata —That is a very good suggestion, and we would be prepared to do that, so that when we applied again they would look up the figures

(Continued in the afternoon)

President —We received this morning four statements from you. Have you any other ones ready to put in.

Mr. Sawday —Instead of the statement I gave the other day I would like to put in this statement showing the figures for July, August, September and October I am afraid I have not been able to go back a month earlier

President —Will you be able to give figures for that in the course of the week ?

Mr. Sawday —Yes *

President —These figures agree with the order statement figures ?

Mr. Sawday —Yes, but was adjusted as regards price.

President —I am afraid what I wanted was not quite clear to you What I wanted was the prices at which the orders were booked but separately for special steels and for bars and light structural

Mr. Sawday —I can produce them in ten minutes I have already given you delivery figures for bars and light structural separately †

President —It is quite useful to have that It will enable us to see how it stood after the final adjustment. But apart from that you lose over the customers who only accept delivery at reduced rates as compared with the original prices That state of affairs arises in a falling market it is, so to speak, a temporary feature, and once things have stabilised themselves, on whatever level they do stabilise themselves, you are not likely to be affected in that way.

* Statement XI

† Statements II B & II C

Mr Saurday—This statement gives you the figure to compare with the current import price

President—It will be useful. It will be necessary for my purposes to have also exactly in the same way as in that original statement, simply the prices at which steel was booked. We will take this into account in considering how you have been affected by the steady fall in prices.

Mr Saurday—Yes. Then you wanted a statement of orders pending for completion. I have given it for May last and for the 4th October.

President—That is to say orders which you have received but you have not yet shipped.*

Mr. Saurday—These are the quantities our customers can accept at once.

President—The most important thing to do to day is to take each class of material in turn and put the questions we have to ask. Perhaps the easiest one to begin with is plates. You have given the prices at which orders were booked for plates for the five months from May to September. You actually gave the figures separately for ordinary plates, small circular and large circular. I have taken the average of the whole lot and the figures are—

	Rs
For May	169 1
For June	178 6

and here I would like to put one question. In two different copies the figure is different and I do not know whether it is Rs 169 or Rs 160.

Mr Saurday—I think it is Rs 169.

President—Just take a note of it and make sure that the figure is right.

	Rs.
For July it is	162 5
For August	168 1
For September	166

The average for the five months is Rs 167 8. Having obtained these figures the next thing I did with them was to ascertain how they probably would have stood if the exchange had been at 1s 4d. That is to say, I first of all deducted the duty of Rs 30, converted the balance by the usual method, and then after having got the revised c.i.f. price, added the duty again. The result was that, with the exchange at 1s 4d, the prices would have been—

	Rs
In May	176 55
In June	187 5
In July	171 9
In August	179 1
In September	178 95

The average for the five months is Rs 177 6. The rates of exchange I took were those which your Company themselves gave us in the price of Continental material. As you know the Tariff Board's proposals were originally made on the basis that on the average for plates the producer in India should receive approximately Rs 180 a ton. The prices you have actually put show that, if the exchange had been 1s 4d, the prices would have been less than Rs 180 only by Rs 2-8-0 a ton.

Another feature that I notice in the figures is that there is no noticeable decline even in September in the prices received. I think the point the Tata Iron and Steel Company will have to meet as regards this is that admittedly the figures show that the duty requires to be increased so as to meet the difference in the exchange, but apart from that the figures as they stand hardly suggest that much more is needed. Also they suggest that the prices at which you can sell plates in India have not got much connection with the price of Continental plates.

Mr Saurday—You have worked out an average which includes in the first case small circles. We have taken up the manufacture of small circles which are dished by purchasers for bowls mainly as a source of increasing our output of plates. An increase over the ordinary price of plates follow because of the extra cost of manufacture and so on. We did it because our machines were not fully occupied and therefore we used that method of increasing our output.

President—Supposing you are making these small circular plates. First of all, I understand, you make the plate in the ordinary way in the plate mill, and after that you subject them to another process and put it into another shape. Some of the small circles are made out of waste, are they not?

Mr Sawday—That amount is now almost insignificant. Whatever waste we have of 9" and more we turn them into circles. For the rest we cut them into thin strips and these are punched.

President—When you are using waste there is no extra cost, rather you are gaining. But when you have not got sufficient waste to use, then I understand you start with plates rolled in the ordinary way and complete the process on the structural shop. That means an extra process and extra expenditure?

Mr Sawday—For large circular plates we used to get Rs 180 a ton. The sales in the months of July and August were 13 tons and 80 tons, an insignificant quantity. We had a stock of round about 750 tons. When the season for selling was on we found that the gentleman who had bought such plates last year had still about 400 tons unsold, and he was selling at Rs 160 a ton. The result was that we ourselves had to sell ours at Rs 160 or Rs 165 a ton.

President—What are these large circular plates used for?

Mr Sawday—For sugar boiling. The duty on these has not gone up. They are assessed as hardware at 15 per cent.

Mr Mather—Before they are finished?

Mr Sawday—Yes.

President—It is curious.

Mr Sawday—It is curious but I verified that when in Calcutta. But the quantity imported is not much.

President—There are two possible reasons why your sales may be low. One is that the price does not attract the market, and the other is that there is no market to meet.

Mr Sawday—Last year there was a good market to meet. 1,200 tons were sold during July, August and September. This year sales are an insignificant quantity.

President—So to speak, it is your own plates that are competing.

Mr Sawday—Then, as regards the price of ordinary plates as shown here, I think I explained last time that we booked orders round about Rs 165 a ton. They go nearly all to the engineering firms. In July, August and September plates were booked at about Rs 165 largely, subject to subsequent adjustment. That adjustment has been worked out, and the figure has come to Rs 154 a ton for Tata's.

President—On what basis was the adjustment made?

Mr Sawday—On the cost of importing British sections at the rate of exchange taken month by month.

President—That is to say, the price is in direct relation with British prices?

Mr Sawday—Exactly. The figures I have given you, which correspond to the figures for light structurals and bars, show what amount go to engineering firms. The average price after adjustment is Rs 154 for the thicker plates with the usual extra for the thin ones. The other day you brought out some figures of imports. The figure for Continental plates was 7,680 and British plates were 4,000 and odd. I told you then that most of these were 1/8" and I have no doubt that is correct, and you therefore said, very correctly, that if it was only a matter of say 2,000 or 3,000 tons of Continental and 1,000 or 2,000 tons of British plates in thickness of 3/16" and over then we were getting nearly all the trade we could, and it was a question of raising our price to Rs 180 on the British Standard comparison and the question of Continental competition did not matter. I should have mentioned, however, that in the sheet mill which has just started, there is a mill for rolling 1/8" plates and it is fair to say that the output of the sheet mill will be about one fifth of 1/8" plates and these of course will be directly affected by the Continental import. We can't get Rs 180 on them unless you look at Continental prices.

President—Would there be any demand for that sheet if that were galvanised?

Mr Sawday—No. But we must make 1/8" plates because we have demand for these from engineering firms and railways, and because that mill can make nothing else.

President—Then, finally, what is your answer on the main point that I put to you about plates?

Mr Sawday—I admit that as regards 3/16" and up our competition is mainly with the British. That price of Rs 166 for ordinary plates in August, Rs 161 in July and Rs 164 in September will be reduced by Rs 8 in any case after adjustment, and it will be further reduced in future months by the fact that we have been forced to try and get extra sale by putting the prices lower. At present I am prepared to sell at Rs 145 for thin, and Rs 155 for the thicker ones, just to try to capture the little market there is up country. That, of

course, will not have much effect on the price because the quantity will be small. On the whole Rs 164 will probably come down to Rs 156. I would also ask you to remember that our prices cover the cost of cutting plates into the narrow widths that are required for bridgework and structural purposes.

President—In that case one does not quite know to what cause to attribute the fact that the price you realised is distinctly low as compared with the price quoted in the "Iron and Coal Trades Review". In the latter part of April 1923 it was £9/10, at the beginning of August it dropped to £9, in October it was £8/15, and later it again rose to £9/5/6 in November. But this year on the 1st April it was £9/5 which went up to £9/10. Since the 5th September it is from £9/5 to £9/10. On the whole the prices are rather higher than they were in the autumn of last year. You think that the average price you will actually realize on the final adjustment on these plates will be lower by Rs 8, Rs 9 or Rs 10 than the booked price? Will that affect the circular plates?

Mr Sawday—No, only the ordinary plates.

President—I would like just to revert to your statement of the accumulation of stocks of plates. What I find is that on the total figure of your production for five months which was just over 9,000 tons you booked orders for 12,144 tons, that is to say, 3,000 tons more than the production, but your stocks accumulated during that period to the extent of 1,651 tons. What is the reason of this accumulation of stocks?

Mr Sawday—Of the stock some is circular plates, some second quality, say, 700 tons. There are also about 600 tons waiting to be cut into narrow plates.

President—Have you been actually manufacturing plates for stock at all?

Mr Sawday—We have been. Please remember that the waggon order is for extended delivery.

President—What is the market you hope to sell them in?

Mr Sawday—We will get rid of a good deal of them on these waggon orders. If more steel is wanted elsewhere we shall have to cut down production.

President—But still I must confess I do not really understand. Even if you eliminate the month of September, still orders were booked in excess of production. I do not quite see why in the circumstances stocks should accumulate.

Mr Sawday—We have orders booked for 1,200 tons altogether apart from waggon orders.

President—Do you mean to say that the stock includes a good deal of stuff already sold?

Mr Sawday—They certainly do.

President—A great many of these orders are included in your present stock?

Mr Sawday—Yes.

President—I understand that you sell plates on the basis of British prices.

Mr Sawday—That is the basis on the whole. But for 1/8" I would ask you to remember that Continental must be the basis.

President—I might perhaps just allude to this point again, that the difficulty in selling plates so far as there is any difficulty, appears to me to be due to the limitation of the market rather than the price. That is to say, if you dropped your price by Rs 20, it is very doubtful whether you would increase your sales much.

Mr Sawday—If we dropped our prices plates would take the place of timber for a fair number of uses at the price at which they can replace timber, and the Continental price market would be captured.

President—That is not a point in support of protection to plates. If you brought down the price it would increase a demand of that kind, but it is not an effective demand. I was looking at it in this way. By putting on an extra duty you produce an equilibrium between foreign prices and Indian prices. It produces the same level of equilibrium that can be effected by dropping the prices in India. However, it is not a matter I want to push any further. The next class of material we had better take is heavy structurals. I worked out the prices at which they come out. I might perhaps just read the figures. The average for the five months is Rs 156 2. Then with the exchange at 1s 4d the monthly figures become Rs 159 3 for May, Rs 162 9 for June, Rs 163 65 for July, Rs 171 0 for August and Rs 171 45 for September, and the average of the five months is Rs 165 15. I notice that in the months of August and September the booked prices were higher than in June or July. That again is not due to any particular diminution

in your sales because in June and July, two months together, you sold 6,000 tons and in August and September you sold 6,740 tons. So far as that is concerned, there was no drop. What I would like to know is this: Does this question of the final adjustment affect you as regards the price of structurals to the same extent as it does in the case of plates?

Mr Sawday—In the same way as regards contract orders with the engineering firms. The price for structurals for July, August and September would be Rs 156-15 f o r Calcutta for engineering firms, and for ordinary bazaar dealers the price would be Rs 155 f o r Tatanagar.

President—Have you similar contracts with bazaar dealers?

Mr Sawday—No. In their case the price is fixed.

President—Who are the bazaar dealers referred to?

Mr Sawday—Among our bazaar dealers we have three much bigger than the rest. They have been paying all along Rs 155.

President—Is it a contract similar to the running contract with the engineering firms?

Mr Sawday—No. It is price fixed for a certain tonnage.

President—All these figures you are giving are in some cases higher than the average price at which you have booked. You said Rs 157.

Mr Sawday—That is f o r Calcutta.

President—You must give me a comparable figure.

Mr Sawday—Rs 154 for engineering firms, Rs 155 for main bazaar dealers, Rs 160 for non-official purchasers and Rs 165 for Government.

President—There again some of them are to a slight extent lower and some of them higher.

Mr Sawday—Our average is a fair average.

President—In that case there is no reduction to be made as in the case of plates?

Mr Sawday—It will work out to Rs 15 on the contract order.

President—Then there is a difference in the position?

Mr Sawday—As regards engineering firms there is.

President—What you have told us in the case of plates was that, before you could get the price which you actually realise on the sale of plates, you will have to deduct Rs 8, Rs 9 or Rs 10 from the booked prices. I now understand you to say that in the case of structurals there is no deduction to be made.

Mr Sawday—Plates are probably all on the running contract basis. In the case of structurals we have with the engineering firms a running contract but they have been also in the last few months buying at a fixed price in many cases. The underframe order is on a fixed price, the waggon order is on a fixed price. An order from McNeill was on a fixed price. Another big order from Burns was also on a fixed price.

President—That is all right. The position of structurals is different from the position of plates in this respect. There is no particular deduction to be made in this case.

Mr Sawday—There is a reduction on the contract bookings, but with plates almost all bookings are contract bookings but with heavy structural they are not.

President—In this case you compare the average price of the autumn of 1923 with the present level of prices. There seems to have been a drop of 10s a ton or a little more in the price of British beams. The export quotations in the "Iron and Coal Trades Review" was £9 in August 1923 later in the year it dropped to about £8 15 and then went back to £9 again. This year it was £8 15 and dropped afterwards. The point about these heavy structurals is that with the exchange at 1s 4d the price you would have received would have been just over Rs 165 a ton. Apparently therefore, once the rise in the exchange has been corrected, Rs 10 a ton more is needed in order to reach the price of Rs 175 a ton which the Tariff Board took last year in their recommendations regarding structural sections. Do you wish to make any comments on that way of looking at it?

Mr Sawday—The only point to be put in that connection is that as regards structurals we have been fortunate to some extent during the last six months. There were unexpired bazaar contracts at Rs 155 and they have been taking at that price. The demand for British Standard material has been good and bazaar dealers will pay more than for Continental.

President—When were these contracts made?

Mr Sawday—About January, and if we have to make now contracts now we certainly could not sell at Rs. 155 I believe we could make a contract for Rs 145

President—Since the duty was last imposed have you made any further contracts with the bazaar people ?

Mr Sawday—We both are waiting to see what is going to happen

Mr Mather—Suppose these contracts were due for renewal now, do you think you could get Rs 145 ?

Mr Sawday—Somewhere about Rs 120 or thereabouts for the ordinary market price in Calcutta plus Rs 20 for freight advantage plus some small extra because we sell British instead of Continental Even up-country people give something for that

President—Has it actually happened that Continental prices have fallen heavily before you have given delivery of the order ?

Mr Sawday—That is happening very frequently I shall give you the number of cancellations we have had recently

President—I ought to ask whether it applied to plates

Mr Sawday—No

President—Does it apply to heavy structurals ?

Mr Sawday—It applies to the bazaar part of the heavy structurals very substantially but still we have sold fairly well against the old contracts

President—We hope you will be able to give us figures as to what extent orders have been cancelled during the last few months

Mr Sawday—Yes *

President—Has the sale of heavy structurals been affected by the other feature, namely, that the purchaser won't take delivery unless he is allowed a lower price because you were selling at a lower price to other people ?

Mr Sawday—No, we haven't offered to lower prices yet They have just cancelled the order

President—That does not affect plates ?

Mr Sawday—No

President—You sell part of your heavy structurals to the Railways, engineering firms and generally to consumers who want steel up to the British standard specification ? Does that cover a large proportion ?

Mr Sawday—The Railways take very little The Public Works Department take a little The engineering firms are our best customers Almost 90 per cent of our custom is with them and the bazaar dealers.

President—The steel finds its way to the Railways through the engineering firms ?

Mr Sawday—That is right

President—I think the orders you booked for heavy structurals for the five months were up to 16,445 tons, that is, 3,300 tons a month What proportion of that output goes to the second class of consumers who do not care about the British standard specification ?

Mr Sawday—I think I will be right in saying that in a year our ordinary bazaar dealers have taken 7 to 8 thousand tons

President—That is the kind of figure I want just to get an idea as to what their requirements may be Have you hitherto attempted to sell heavy structurals to dealers except in what I call your freight-protected markets ? Have you gone beyond that ?

Mr Sawday—No

President—In that programme of what you are likely to do this year and in the year to come, so far as I can see, you are not likely to increase your production of heavy structurals ?

Mr Sawday—No Not our rate of production

President—You have given us as the actuals for the six months of the current year 32,000 tons. Could you tell me off hand how much of that is light and how much is heavy ?

Mr Sawday—About 20 of it is heavy and 12 is light

Mr Ginnala—In what sense are you using heavy structurals ?

Mr Sawday—Angles above 3"

Mr. Ginwala—I just want to know where you draw the line?

Mr. Sawday—Heavy structurals are rolled in the 28" mill, that means all joists, and angles above 6 united inches

Mr. Ginwala—Just tell me how it is described in the bazaar

Mr. Sawday—The bazaar usually calls it joists. The bazaar does not use heavy angles

Mr. Ginwala—The distinction in my mind is not clear. It is very necessary that we should speak in the same terms.

Mr. Sawday—Heavy structurals include no tees for our purposes. They include all squares above 3" and rounds above 3½". These are rolled on our 28" mill.

President—Rounds and squares are usually not classed as heavy structurals

Mr. Mather—It is not a very important item.

Mr. Sawday—It includes all beams but no angles for bazaar purposes. The bazaar does not want angles above 6 united inches

Mr. Ginwala—Is this the sense in which the Customs authorities use the expression?

Mr. Sawday—They do not use these expressions

Mr. Ginwala—Is it the sense in which this expression is used in Trade journals?

Mr. Sawday—Yes

President—In 12 months you have said that you would produce 60,000 tons of structurals, of which 32,000 tons have already been produced. Will you produce less in the second half of the year?

Mr. Sawday—Our production of rails has to grow a great deal. If we exceed our programme for rails we will get out more structurals

President—You are going to roll 80,000 tons of rails during the next six months?

Mr. Sawday—We expect to

President—For the following year you have put down 70,000 tons of structurals. I think you gave 65,000 tons heavy structurals?

Mr. Sawday—I think I said 50,000

President—That is 50,000 plus 20,000 tons light. Is that roughly correct?

Mr. Sawday—Yes

President—In order to sell 50,000 tons next year, supposing you are able to make so much, do you anticipate you will have to expand your market?

Mr. Sawday—We expect to sell now in Northern India, and to sell everywhere freely for tested material even where freights are bad.

President—The point of that is simply this, whether your purchasers will display the same mentality as at present and use a larger proportion of the Continental steel.

Mr. Sawday—It is comparatively easier to sell heavy structurals because they do appreciate British standard.

President—Heavy structurals occupy an intermediate position between bars and plates. Plates are closely linked to British standard. In the case of bars, on the other hand, if you attempted to meet the demand of the market you are absolutely up against Continental. Heavy structurals are in an intermediate position.

Mr. Sawday—Yes

President—Then in the case of heavy structurals I see that, according to the figures you have given, the excess of orders booked over production is 1,800 tons for 5 months, May to September, and simultaneously stocks increased by 2,200 tons. There again I think it will be well if you can explain the situation.

Mr. Sawday—Of the wagon orders, none of which has been delivered but all of it booked in September, 4,500 tons is for heavy structurals

President—4,500 tons in August and September. Out of this 6,700 tons, 4,500 is booked wagon orders for deliveries spread over the next six months?

Mr. Sawday—That is right

President—That does a good way to explain this particular figure. Generally as I understand what it comes to is that you have not been unlucky this year in the way of booking orders from consumers who buy from you, but the difficulty has been with the sale of standard sections which you make

Mr Sawday—The difficulty has been that the buyer in Calcutta of the British standard finds that he is unable to sell it because the Continental is cheaper. The merchant side of the business is going in Calcutta. Up-country it is securer because of our freight advantages.

President—You are not selling in Calcutta except to the engineering firms?

Mr Sawday—No, and less to them than before for the reasons given. For example Jessop's buy half for their merchant business, Burn's also buy something for merchant business, Balmer Lawrie's also. Martin's largely for merchant business.

President—Are these stock sizes that they buy as a merchant proposition?

Mr Sawday—Yes.

President—And they have paid a higher price than the bazaar dealer for his Continental steel and it is still, so to speak, a part of the general daily bread of the industry!

Mr Sawday—Speaking generally, the big firms in Calcutta have recently reduced orders for British standard for market purposes. We only have for despatch 1,600 tons of heavy structural material. If we had wagons, and if we had suitable material ready for making up wagon loads, we are only free to despatch 1,600 tons. Since there must always be some delay over tests this is an insignificant figure.

President—In the case of these stocks of heavy structurals, to what extent do they consist of stocks which are sold and to what extent are they stocks that are unsold?

Mr Sawday—We have about 2,000 tons for delivery, some of which are against this 1,600 tons I mentioned and against material which is wanted in November or December and the rest is for sale.

President—Then that figure of 2,000 tons for delivery, is that a normal figure?

Mr Sawday—That is a low figure. I tried to get you the figure for last year but I could not get it ready, but 2,000 tons is only about 7 days rolling for the mill.

President—I might refer to this estimate of your production this year and next year. I notice that you have followed in your table the estimate the Tariff Board made of 335,000 tons.

Mr Sawday—Yes.

President—The point I wanted to put is this. If you get 335,000 tons of finished steel, would it be about 70 per cent. of the ingots made?

Mr Sawday—Yes.

President—How much can you get out of the old Open Hearth furnace?

Mr Sawday—200 to 210 thousand tons.

President—That leaves about 260 to get out of the Duplex?

Mr Sawday—Yes.

President—That is about 22,000 tons a month?

Mr Sawday—Yes.

President—Have you got up to that yet?

Mr Sawday—This month we are doing something like 12,000 on the furnace. Practice has been improving steadily on the Duplex. On the 13th October the Duplex was doing something like 11,500 for one furnace per month.

President—That is to say, up to date you are producing an amount per furnace which would give you that quantity of steel. But have you made allowance for the fact that each furnace will have to be out of commission for one month in the year? My recollection is that we were told during the last evidence that the Open Hearth furnaces were out of commission for more than one month in the year on the average. Are you making allowance for the fact that the Duplex will not be working for 12 months in the year?

Mr Sawday—We hope that even then we shall be able to stick to our estimate. Mr Tutwiler feels that we shall make 335,000 tons all right.

President—If owing to the fact that you have not got enough steel to work fully up to this programme, then would it be bars and structurals that you are likely to cut down?

Mr Mather—There might be some sheets to be deducted.

President—As regards the cost of bars and light structurals I think I shall have to put questions on the basis of the prices at which they are likely to come. There is no help for it, because I have not got separate prices for light structurals and bars. My first point would be that, if for the purpose of considering what additional duty is required,

we took light and heavy structurals together, on the figures you have given it would raise the average price of the structurals a little because the average price booked for bars and light structurals together is 163 5 I quite admit that it may turn out that you may actually get for light structurals less than that, in that case the point is not of any great importance. But I would like to run through these prices just to get them on record. For the month of May the average price was Rs 164, for June Rs 165 9, July 164 9, August 165 6, September Rs 157 8 Average for the 5 months 163 5 If the exchange had been at 1s 4d, the equivalent prices are, May Rs 170 65, June 173 35, July 173 8, August 175 45, September 169 Average is Rs 172 3 Well now, let us take the light structurals first In what respects does the market in which you sell your light structurals differ from markets for heavy structurals?

Mr Sawday—The engineering firms are the best users of light structurals for our purposes The Bazar wants plenty of angles and tees On the other hand, engineering firms want British standard in the case of angles and tees and therefore they are the best customers But it is difficult to say how the market varies because the use of bars sometimes jumps up suddenly as bars are sometimes required in big quantities

President—Let us eliminate the bars Light structurals as compared with heavy structurals—I want to leave the bars alone You have explained to us just now how you are able to sell your heavy structurals Does that also apply to light structurals? Or is there a substantial difference between angles and beams?

Mr Sawday—When you go to the bazar they pay nothing more for the British standard in the case of angles, but they do in the case of beams

President—Is there any difference in the proportion in which you can sell to the engineering firms?

Mr Sawday—The bazar do not want any heavy structurals

President—You do a certain amount of business upcountry?

Mr Sawday—The bazar do not want any 5" or 6" angles, they only want joists Heavy angles and channels are of no interest to the bazar Those go entirely to the engineering firms

President—Let us take it in this way You gave us figures just now I think you said you have sold to the big dealers at the rate of 7,000 or 8,000 tons a year, all the balance of your output of heavy structurals goes to the engineering firms?

Mr Sawday—To Government Railways and engineering firms

President—That would be how much?

Mr Sawday—Next year something like 43,000 tons, this year 33,000

President—That is structural?

Mr Sawday—Joists and heavy angles and channels will be 40,000 and 6,000 will go to the bazar

President—Take the remaining 20,000 tons?

Mr Sawday—Engineering firms in four months about 23,000 tons and the bazar in four months about 1,600 tons

President—In the case of light structurals the bazar is more important?

Mr Sawday—Comparatively

President—In the case of light structurals the Continental price is more important?

Mr Sawday—Yes

President—One point about light structurals I had better mention With the existing rate of duty you get approximately the same average price for both classes of material You pay Rs 10 more over the light structurals The burden of duty is Rs 30 on one class and Rs 40 on the other

Mr Sawday—The answer to that is that in the case of bars Continental competition is still more efficacious as compared with light structurals

President—Very possibly I am quite willing to accept that reason That is an additional reason for getting light structurals separated from the bars The object I have in view is to get the prices to the same average level and to see if Rs 10 on one class and Rs 30 on the other would bring them to the same level

Mr Sawday—Yes

President—I understand that in the case of bars and light structurals you are affected in the first place as regards your transactions with the engineering firms by the

quarterly adjustment. In the second place as regards your other consumers you have been affected in the past six months by consumers refusing to take delivery except at reduced prices. You have been also affected by the cancellation of orders. Will you be able to tell us to what extent these factors will bring down the booked prices?

Mr. Sawday—I have not yet given you the volume of orders which have been cancelled. A good deal has been cancelled but the removal of the cancelled figure from the statement of average price realised would not make very much difference to the average price. If a man has cancelled say, an order 100 tons which he originally booked at Rs 160, I have taken present offered prices as the figure and the cancellation would not further affect the figure very much.

President—Are you in a position to tell us to what extent this average price of Rs 160 7 will come down when allowance is made for these things?

Mr. Sawday—In August the average of bars is Rs 160 and for light structurals Rs 151. In September the average for bars is Rs 146 and for structurals Rs 151. In October the average for bars is Rs 141 and for structurals Rs 150. I can give you separately for the engineering firms*. The Railway are affected in October. They go down to Rs 151 for bars and in September they were up to Rs 165 for bars.

President—Will you be able to give us a statement in the same form showing the prices at which the orders were originally booked? Then we can get a direct comparison and see where exactly, in which class of consumers, the change has taken place.

Mr. Sawday—Yes,†

President—There is a point here. If the booked price were final I should put to you at once this question. With the exchange at 1-47, you have already got Rs 172. Only Rs 8 more is needed.

Mr. Sawday—We lay particular stress on the *deficit* which has occurred since the beginning of August.

President—Unfortunately the *deficit* is so very little traceable in the booked orders.

Mr. Sawday—It is noticeable in the orders we have not booked. The figures for August and September in the general statement of orders booked is kept up by the bazar orders which don't help us for the immediate future to any extent.

We only booked 570 tons of orders for the bazar in light structural and bars and this only by dropping our price somewhat. This is an insignificant figure. In September we had to drop the price considerably to get bigger orders. We can always show a high level of prices by refusing to sell in quantity and waiting till our customers must have something not obtainable elsewhere.

President—I have got figures for the orders booked for bars and light structurals up to the end of August. I do not think I have got the orders booked for bars and light structurals separately for September.

Mr. Sawday—We only sold 560 tons in the bazar for August. In September we sold 1,100 tons by coming down to Rs 145 for bars and Rs 113 for light structurals. We can sell no considerable quantity at even these figures. I have offered Rs 125 for Calcutta and Rs 140 for up-country for 1,000 tons a month for 3 months, but in vain.

President—The only other class of material is light rails. Your prices have been absolutely uniform in the five months.

Mr. Sawday—There is one point to remember here. It is the off season for rails and we have refused to lower our prices. Rails are coming in a good deal more cheaply.

President—Generally speaking, I take it that light rails and bars go pretty closely together?

Mr. Sawday—They should be on the same level.

President—Does your application for off-setting duty apply to rods? The present duty is Rs 40 on bars and rods.

Mr. Sawday—I will answer later. If I

President—I do not want you to rush to make any statement about it now. You may consider it.

Mr. Sawday—We would like to go down to $\frac{1}{2}$ " rods.

President—You can give a final reply later on before the enquiry is concluded.

Mr. Sawday—Yes.

* Statement II.

† *Ibid*

President—There is one other question. In a letter received from Messrs Richardson and Cruddas they say "We would beg to take this opportunity of adding to our letter to you of the 15th instant as follows—

"In a letter received by us from the Tata Iron and Steel Company dated 3rd October 1924, giving their rolling programme for October they begin

'We beg to give below the provisional rolling programme for our 16" mill, 28" mill and New Rail Mill, which is subject to alteration without notice

As we are already booked up on all these mills, we regret we cannot take fresh orders for items not mentioned therein, for delivery from these rollings'

"The above coupled with the fact that their deliveries against orders are getting slower and slower, so much so that we have had to complain very strongly recently, would scarcely seem to bear out their contention that they are not getting sufficient orders and are compelled to close down. We have great difficulty in getting our orders attended to by the Tata Iron and Steel Company and their last excuse was stress of work"

I put it to you definitely because there is some inconsistency in your being unable to sell your steel and at the same time unable to supply steel to people who want it most

Mr Sawday—I shall find out and let you know how many tons of orders are outstanding against Messrs Richardson and Cruddas

President—You mean how many unfilled orders?

Mr Sawday—Orders we have not met. It will only be one or two score of tons at the most. Their requirements from us in the year are roughly 500 tons for their structural engineering, and in that respect it is unfortunate that they always want biggish angles. They have not normally wanted small stuff, and of course the statement there that our 16" and 28" mills were fully booked up for the month was true and we must tell them so. It does not mean for next month. The 16" mill is almost entirely booked up for wagon material, bearing plates, light rails and we have promised to deliver by the 31st October some part of every section. The 28" mill for the rest of the month is booked for rails. There is rolling of structurals to be done at the beginning of November. The 10" mill and merchant mill if necessary and the plate mill can roll whatever orders we can book, but unfortunately there is not very much to be worked there.

President—How do you expect to be situated as regards your rolling programme in November?

Mr Sawday—We expect to have another 2,500 tons of heavy structurals in November. We expect on the 16" mill to have another 1,000 tons of ordinary section for sale and of course in the other mills whatever is wanted.

President—Do you anticipate that you will have to tell your customers ere long that you are still in the same position?

Mr. Sawday—We anticipate we shall not.

President—You will be able to accept any orders they can give you almost up to the capacity of the mills.

Mr Sawday—Yes.

President—As regards unfilled orders you will hand in a statement. That will be useful. Generally speaking, your view is that the number of unshipped orders you have is below normal.

Mr Sawday—Yes. We have work for, on the average, something like a fortnight excluding rails and fish plates. May I give one reason why Messrs Richardson and Cruddas and other people have become more insistent on delivery? Now that material is not hard to get and the trade is slack their customers are calling for contracts under penalty terms and the engineering firms quote with rapid delivery promises so as to make their offer more attractive. We are expected to give more rapid delivery than we were ever expected to make in the past.

Mr Ginnala—Would it be right to say generally speaking that in the kinds of steel with which we are concerned, apart from the question of exchange, so far as British steel is concerned, there has not been very great variation in the last six months?

Mr Sawday—Not very great.

Mr Ginnala—But there has been a steady decline in Continental prices?

Mr Sawday—Yes.

Mr Ginnala—I am trying to find out whether you have given us in sterling the prices for British imports. In the case of Continental imports you have given us in sterling

converted into rupees and in the case of British imports you have given us only in rupees.

Mr Sawday—I shall hand you this book which contains all the figures in sterling.

Mr Ginnwala—I want only the figures. In statement A that you annexed to the letter to the Government of India you have given the prices from October 1923 to July 1924 in rupees. There is little difference between prices of October 1923 and July 1924. That may be explained entirely by the exchange and we want to see the difference in sterling. It is a point of some importance.

Mr Sawday—We shall give you these.

Mr Ginnwala—In this statement that I asked for about the actual prices realised, you have given the average prices realised for the three kinds, bars and structural, heavy structurals and plates, in rupees. I want to know how you quote to your up country customers.

Mr Sawday—We usually quote f o r works and give a statement of what the freight is. They usually want quotations for f o r works.

Mr Ginnwala—If you sold f o r destination you will get better rates for them under your special arrangements than if they take it themselves.

Mr Sawday—Some months ago I tried to quote f o r destination and I tried to induce our main bazaar dealers to draw up a new schedule for steel prices f o r destinations, and I discussed with three of them separately and they all said that was too complicated. We give a f o r works price which allows for our average freight advantages.

Mr Ginnwala—What I wanted to know was that no freight is included in up country deliveries.

Mr Sawday—They are all f o r Tatanagar.

Mr Ginnwala—Are these not realisations?

Mr Sawday—That is right.

Mr Ginnwala—In that case these figures do not bear out your claim, that is what I am trying to point out.

Mr Sawday—In the case of engineering firms these were the prices they paid us, but we have got to give them back the difference between Rs 165 and Rs 156 9 for July August and September, for instance.

Mr Ginnwala—You must not give us a statement like this then.

President—I notice that these headings here do not include subsequent adjustments. Mr Ginnwala wants the figures after adjustment, if it can be given.

Mr Sawday—I will give you for heavy structurals and flats *

President—This figure you have given for the average price, Rs 163 45, for bars and light structurals is almost identical with the figure I arrived at. Then you say this figure will come down after the final adjustment and so on. What Mr Ginnwala means is this, that it is desirable that we should have, if it is possible, the figures for the adjusted price and see what it comes to. If you cannot do it for the last month, if you can do it for the previous month and then make an estimate for the last month, you can show how the thing is happening. If it is possible to have it at the end of this week it would be useful.

Mr Sawday—We will have it sent to you.

Mr Ginnwala—In your application to the Government of India you suggest certain duties. Your claim there is entirely based on the difference between Rs 180 and the import price. But my point is that you have got to bring your application into relation with the facts as you yourselves give them, and I must say that these figures do not support your claim unless they are explained in some way.

Mr Sawday—In June we were getting better prices and we want it and we were getting so badly off in July. Only since August the drop has become so very pronounced.

President—But you do not give the Government of India the benefit of any figures which anything like justify that the duties should be raised in full?

Mr Sawday—The figures for the later months do indicate that another Rs 40 on bars, for instance, is necessary. You must remember that to some extent we are keeping prices by restricting sales and not selling as much as we need to. Then remember please that we have lost some months already and must lose 2 or 3 more.

Mr Ginnala—You must not blame the Board in any way. If this application is looked at by itself and then it is compared with your figures that you have given us now, any man would say that your claim is not borne out and we are therefore just giving you a chance of clearing the matter up.

Mr Sawday—You suggested in the Tariff Board's Report that the cost of importing materials, for instance bars, would be on an average Rs 140 a ton after taking the weighted average between British and Continental. We say now that the average should be much more weighted on the Continental side, and if Rs 140 without duty justified a duty of Rs 40, something less than Rs 140 now with the present duty justifies another Rs. 40.

President—Your figures do not show that they affect you to such an extent as to justify the duties you ask for.

Mr Sawday—If the weighted importing price of Rs 140 justified a duty of Rs 40 a ton, then a weighted import price of somewhere near Rs 100 will entitle us to a duty of Rs 80. We have sold 758 tons of bars in October at Rs 104 without the duty, and this is only by picking and choosing carefully. Even that price is above the Continental price and we sold because our material will pass the necessary tests.

President—If you bring in the exchange, you have got to keep the exchange question separate from the sterling price.

Mr Ginnala—The case that you are now trying to make out is this that the idea of weighted average is thrown overboard.

Mr Sawday—No, Sir, it is still weighted but very much more heavily on the Continental side.

Mr Ginnala—Then, if you are dealing with figures you must deal with them in such a way that you can substantiate the proposition that you have in mind. These figures do not do that, and I am trying to find out what you mean. What you possibly meant is this. It may be that the weighted price of imported steel was Rs 140 and that it had relevance when we made our last Report, but now the position is entirely changed. Continental steel is coming at a price so ridiculously low that you cannot get anything like the weighted average.

Mr Sawday—I must admit that the average must still be weighted to a small extent by the British standard.

Mr Ginnala—We have got to determine the price of imported material with reference to the Continental price.

Mr Sawday—That is an argument in our favour which one would like to accept unreservedly, but we must say that the fact that our material is British Standard does count in our favour though nothing like to the extent it generally did.

Mr Ginnala—I am just trying to elucidate the position. We must put it in words that people can understand if we are to take your figures. You should realize that, and then say that the additional duty should be the difference between the Continental price and Rs 180. It can only be done by showing that at present the prices that matter from your point of view are the Continental prices. You have been able to realize this higher price, because you have been selling your steel of superior quality at a lower price as against Continental steel.

Mr Sawday—That is correct.

President—May I take it that you accept that for all your materials?

Mr Sawday—No, we are talking of bars and light structurals.

Mr Ginnala—I am just putting it to you that you have got to explain your figures and show what your claim is.

Mr Sawday—I say that things have got very much worse. Take September and October. There we have sales of 3,000 tons of bars which had been effected because of our long connection with our purchasers. They have paid us more than they would have given if they had imported them. It was Rs 146 for September and Rs 144 for October.

Mr Ginnala—How much are these above the Continental price?

Mr Sawday—Taking the average of the time during which they were booked, I suppose Rs 10 to Rs 15.

Mr Ginnala—What was the difference, generally speaking, between your price and the British. As compared with the British steel, how much lower price would you get for your steel?

Mr Sawday—Figures vary from Rs 36 to Rs 16 We had to cut the British prices in order to secure these orders

Mr Ginnala—Is it the present time you are talking of?

Mr Sawday—I am talking of September and October

Mr Ginnala—I am talking of the period before this drop in prices when you were competing only against British steel

Mr Sawday—We sold at Rs 5 below British steel

Mr Ginnala—Now you are selling only at about Rs 10 above Continental steel That is to say your prices are more or less approaching the Continental prices?

Mr Sawday—Exactly, in respect of bars

Mr Ginnala—Do you get the prices obtainable or do you have to make a sacrifice for any special reasons?

Mr Sawday—We got much more than the prices obtainable When lately a customer ordered 700 tons of flats at Rs 110 a ton they could get the same into their yard at Rs 131

Mr Ginnala—I will revert once more to the statement you have given You have shown a loss of Rs 7,68,000 in your statement on your actual sales Have you taken into account the stocks?

Mr Sawday—No That would raise the figures but I will give you another statement based on adjusted prices

Mr Ginnala—I just want you to give me an approximate figure What would be the quantities normally in stock that you would have? Would the April figures be about right?

Mr Sawday—April figures were high In October 1923, apart from stocks kept for delivery we had about 4,000 tons of big mill structural and bar mill material for sale

Mr Ginnala—That is you have about 6 times as much now

Mr Sawday—Yes, Sir

Mr Ginnala—But then your production was less?

Mr Sawday—That is true too

Mr Ginnala—What I am trying to find out is, how much of this additional stock is due to additional production and how much due to your not being able to sell at a price which is remunerative

Mr Sawday—It is impossible to allocate We have given you production figures

Mr Ginnala—You have not been able to give us any prices for Continental stuff from invoices, for the British imports you have given from invoices

Mr Sawday—These figures are based on Baxter Fell's quotations Mr Trivedi is coming I asked him whether he would produce any invoices and he said he would do so Ours are from trade circulars which are always a few shillings more than the price actually paid

Mr Ginnala—We have got figures from other dealers, but it is not quite clear whether these are from invoices or from such circulars

Mr Mather—I should like one explanation In one of these tables you show your stocks of sheet bars at the end of September as 4,169 tons Are they all sheet bars for the Tinplate Company or do they include sheet bars for use in your own mill?

Mr Sawday—Both

Mr Mather—I wanted to know whether it is partly non saleable or going sooner or later to the Tinplate Company

Mr Sawday—It is not affected by the cost of importing in any case

THE TATA IRON AND STEEL COMPANY

B—ORAL

Oral evidence of Mr S K Sawday recorded at Bombay on the 25th October 1924.

President—I think it would be convenient to begin with the statements that you wish to make with reference to the evidence we have been hearing during the last few days

Mr Sawday—You were asking Messrs Geo Service and Company's representative about the probable course of Belgian prices and he said that he thought that they would not fall. We have no particular information any more than anybody else but the only point we wish to bring to notice is this. It is reported to us by Belgian firms that wages are falling and not going up and that employees were wanting a 30 per cent reduction. I am asking you to attach some weight to that.

President—I think Mr Trivedi told us something about that.

Mr Mather—I thought he said that they received a cablegram a day before their representative came to give evidence stating that the price was rising.

Mr Sawday—Then I think Mr Anandji said that the prices went up after the last duty was imposed. You know the course of exchange and I do not think that is correct. Prices have fallen almost uninterruptedly. Major Richardson told you that the Calcutta firms got at better prices from us. That is incorrect. We bear the cost of freight in the case of Richardson and Cruddas.

President—In the nature of the case it must be so.

Mr Sawday—Then he said that his business in upper India had been damaged because our materials went to Calcutta and were reshipped from there. This is not correct.

Mr Ginnala—They went there for being fabricated.

Mr Sawday—Even then there was no advantage. As regards his argument about covering duty, I do not know whether the Sea Customs Act has not some bearing. Under the Sea Customs Act, if I am to deliver to you at 100, and before I can actually deliver the duty has gone up to 10, the contract would be Rs 110. So if there is any increase of duty before the time of delivery, it is automatically put on the purchaser.

Mr Ginnala—That would surely be so, only in the absence of any contract to the contrary. It applies to merchant business only. The man who makes a purchase for another, if he can pass on the duty to the ultimate purchaser, he will. Major Richardson was thinking of a man who makes a contract and cannot pass it on. That was the point.

Mr Sawday—Then Mr Anandji said that prices had risen since July. He is not at all borne out by his own figures which show a continuous fall.

President—There is no doubt about that.

Mr Sawday—Mr Anandji spoke about the cost to him of imported material. He was adding landing charges quite rightly and he was then adding loading, carting and other charges. It is to be remembered that the man who takes the material from us has got to unload it at Shalimar and cart in the same way.

President—You mean that, if you were selling in Calcutta you would have to pay similar charges?

Mr Sawday—The purchaser will have to pay.

President—In the case of steel sent upcountry from Calcutta that would not apply?

Mr Sawday—No.

President—What are the additional charges above the c.i.f. price?

Mr Sawday—Duty plus Rs 2 8 0 loading charges and cartage and other charges approximately coming to Rs 5.

President—So that if we made an allowance for the bare minimum profit, we might take Rs 10?

Mr Sawday—Yes. Mr Anandji's selling prices are all retail prices. I ask you to remember this point. I think his prices are for 11 cwts and over free-on-rail. The conditions on which he can sell are very different from those under which we must aim at selling. There has been a change during the last six months with our orders. They

are many more and much less in quantity individually. It is just as easy to sell 100 tons of one section from stock as it is 10 tons of many sections. If we have to get business we are forced to drop prices to sell quantities.

President—A direct comparison between your prices and his prices is not possible. But his figures show the relative movement in prices. I think in one of your representations to the Government of India the Iron and Steel Company themselves have referred to his prices.

Mr Sawday—Mr Gmwal asked Mr Anandji if he had negotiations with us. Mr Anandji said that he had been bargaining last month and had offered Rs 120. He is not strictly correct. That is too much in our favour. What we offered Mr Anandji was 3,000 tons, to be taken in three months, of bar mill material at Rs 125 *for* Calcutta or Rs 140 *for* Tatanagar for despatch upcountry. That was the offer he would not accept and what he wanted was Rs. 125 *for* Calcutta or Rs 125 *for* Tatanagar for despatch upcountry. Rs 125 *for* Calcutta was all right, but we could not accept the other as we had determined to fix it at Rs 140 *for* Tatanagar.

President—Rs 125 *for* Calcutta.

Mr Sawday—That is Rs 122 *for* Tatanagar. In that connection I would like to say that the offer was made not only to Mr Anandji. A similar offer was made to three big Calcutta firms, 3,000 tons at Rs 125 *for* Calcutta. That was not accepted. I also offered it to one of our existing bazaar dealers at Rs 125 *for* Calcutta and Rs 140 *for* Tatanagar for despatch upcountry and he made a counter offer at Rs 125 *for* Calcutta and Rs 135 *for* Tatanagar for despatch upcountry. There again we broke down. We get Rs 20 or so more for despatch upcountry. If a buyer wants to despatch to Cawnpore it will cost him Rs 38 from Calcutta and only Rs 17 from Tatanagar.

Mr Mather—It costs more to send from Calcutta to Cawnpore than from Tatanagar to Cawnpore.

Mr Sawday—That is the level at which we have been trying to put through 3,000 tons and all the offers failed. We actually put through about 1,600 tons at various prices, part of the British standard material at Rs 135 and part at Rs 140 and so on.

Mr Kale—Why did not that offer of Rs 125 *for* Calcutta go through if you agreed as regards the price?

Mr Sawday—Mr Anandji was not willing to take for Calcutta only. He wanted to take both for Calcutta and upcountry. From one of our big customers—I do not wish to mention the name—we hear that an Indian merchant—one of the firms to whom we offered Rs 125,—has placed an order for 2,500 tons of Continental bars and sections. I do not know how much of it is bars and how much structural sections. Presumably the price must be something less than Rs 125. He is counting on less than Rs 125 with the present duties. Next about fabrication I have not urged anything. But Major Richardson brought the point forward. I would ask you to remember that it is now cheaper to import fabricated Continental than unfabricated.

President—I do not quite follow. In what sense is it cheaper to import Continental fabricated than Continental unfabricated?

Mr Sawday—You could fabricate sufficiently so that the extra cost of fabrication would be less than the present difference of duty between fabricated and unfabricated. A case was reported to the Central Board of Revenue recently. Some firm imported some material for Sukkar. The Customs authorities said that it had only one hole at each end and should be brought in as unfabricated. The Central Board of Revenue ruled that it must pay duty as fabricated even if worked up in the very slightest degree. The recent trend of prices now puts the boot on the other leg and drilling a hole at one end will save 6 to 8 per ton in duty.

President—Then the 25 per cent *ad valorem* duty on fabricated steel may be a good deal less than Rs 30 a ton at present prices. Is that what you mean?

Mr Sawday—Yes. You asked George Service & Co's representative as to the use of plates on railways. As a matter of fact they want $\frac{1}{8}$ " for the sides and $\frac{1}{4}$ " and $\frac{3}{16}$ " for bottoms.

Mr Gmwal—In your contracts with the engineering firms for instance you get a price based on the c i f price plus duty minus something. Minus what?

Mr Sawday—Minus Rs 5.

Mr Gmwal—That is to say, you get Rs 5 less than the similar imported article?

Mr Sawday—Yes.

Mr Ginwala—Supposing any off-setting duties are recommended how would they affect your arrangement? Is the duty to be calculated on date of delivery?

Mr Sawday—The date of our shipment. We put the stuff on the truck and we bill at once.

Mr Mather—You get immediate benefit?

Mr Ginwala—Supposing you were competing against Continental material, leaving alone British material, and you had to sell at Continental prices, in that case would you get the same as the Continental price or more?

Mr Sawday—So far as the engineering firms are concerned, on our experience of September and October, we would get a little more.

Mr Ginwala—I am talking of the bazaar.

Mr Sawday—No more than the Continental destination price?

Mr Ginwala—If the gap increased?

Mr Sawday—We would get the Continental destination prices only.

President—If in the case of particular classes of material your bazaar sales were limited to the upcountry market, then that extra Rs 20 would come in?

Mr. Sawday—Yes.

Mr Ginwala—You sell for Tatanagar. There is a difference of Rs 3 between for Tatanagar and for Calcutta. Who pays that difference? I am talking of the Calcutta market.

Mr Sawday—For the engineering firms we pay. Indirectly of course we pay in every case.

Mr Ginwala—It means Rs 8 less in the case of the engineering firms?

Mr Sawday—We deliver to the engineering firms for Calcutta Rs 5 below the imported price. It comes to really Rs 8 less.

Mr Ginwala—With regard to the ordinary dealers what happens?

Mr Sawday—Our main dealers have fixed prices for all despatches. The price is of course fixed after allowing for the fact that they have freight advantages for certain areas.

Mr Ginwala—You have quoted for Tatanagar upcountry. Supposing a man buys 5,000 tons of steel from you, would you stock it for him and then send it upcountry? How do you work the system? Suppose a big man like Mr Anandji Haridas, who does business in Calcutta and also upcountry, enters into contract with you for 5,000 tons of steel, how would you work it?

Mr Sawday—We just book the order. If it is 5,000 tons in a year, as the special instructions come along, we put it specifically for them.

Mr Ginwala—You have to stock them so as to be ready to deliver them within a year?

Mr Sawday—We do not stock such orders. If a man wants, say, 20" round, we send them along if we have them in stock, if not, we roll them for him.

Mr Ginwala—Suppose he orders 3,000 tons of steel for Calcutta at such and such a rate, has he got the option of sending upcountry as much as he likes of it?

Mr Sawday—I have got a contract with Mr Anandji Haridas which he is unable to work, for 6,000 tons of bar mill material and big structural, of which at least 2,000 tons should be bars, for the Central Provinces. For the Central Provinces we have considerable freight advantage. In Nagpur we have Rs 25 advantage. The price has been fixed accordingly though Mr Anandji Haridas tells me that he is unable to start the contract now.

Mr Ginwala—When you sell for Tatanagar upcountry do you pay the freight in the first instance?

Mr Sawday—We pay, but we charge the dealer.

Mr Ginwala—You keep a separate account of the freight which does not enter into your price?

Mr Sawday—Prices are for prices. Freight goes in the same invoice as the material.

President—Will you tell us what you have to explain about the figures submitted?

Mr Sawday—I have worked them myself and they have also been worked by several clerks. There are doubtful cases about the classification you have asked for. There are,

say, orders for 2,000 tons of bar mill material, we do not know what it is actually going to be. For these orders the tonnages are adjusted later. There was one order which came to my notice for 30,000 tons of material to do some work for a church. Also one of the discrepancies is due to the fact that one man has taken deliveries to the Agricultural Implements Company as a sale to customers which another takes it as a departmental order. We have taken the totals and divided them up into engineering firms, railways, etc. We have vouchers labelled for Government, Railways, dealers and engineering firms and the totals don't get covered.

Mr Sawday—[Hands over a corrected statement—IX(a)]. I am sorry I did not come prepared with all the figures you have asked for but I thought that the Board, knowing what the method of our sales was and the average level of our sales, would be concerned almost entirely with the question of what the general level of prices is.

Mr Ginnala—I think it is only fair that the Board should expect that in future you kept your figures in accordance with their requirements.

Mr. Sawday—It means keeping figures extra but we will do it.

President—Supposing by keeping these figures you save a weeks time when you ask for an off-setting duty, is it not in your own interest to keep them?

Mr Sawday—I shall do it now. If it would not be too much trouble for you, you could draw up an ideal statement of what you want, it would be helpful to us.

Mr Ginnala—Mr Mather might probably be able to do it.

Mr. Sawday—Probably in that case these 15 statements might be reduced to 3 or 4.

President—Possibly they might. The Board will keep that in view.

Mr Mather—I think most of my questions will probably be disposed of by what Mr Sawday has just said. There are in the statements II (a), II (b), II (c), III and IX (a) respectively bars, structurals, heavy structurals and plates. Most of the figures have been given in one total and in most cases there are discrepancies of 20 to 30 tons, and in a few cases 70 to 80 tons. But I take it that the explanation of these discrepancies would be that, as you have not kept statistics in the form desired by the Board, you have had to prepare them in a hurry.

Mr Sawday—The orders are really broken up into parts of tons and so on.

Mr Mather—At any rate you do now realize that there are these discrepancies?

Mr Sawday—There are. Unless we make a detailed statement and then total that up you can never get them right.

Mr Mather—I think you are satisfied that this discrepancy would not affect the average price, so that, whether the discrepancy is 20 or 30 tons or more, we may just rely on the average price as correct?

Mr Sawday—Yes.

Mr Mather—The biggest discrepancy is the one which you have dealt with in statement IX(a), 1,226 tons, as given twice over.

Mr Sawday—Yes.

Mr Mather—In the figures for bars and light structurals for July [statement II(a)], the total is 4,000 tons, statement II(b) gives 3,936 and then statement III and IX(a) both give 4,216 tons.

Mr Sawday—That includes 200 tons to "Agrico". One man has taken as works sale and another has not.

Mr Mather—Then in the figures for August, II(a), we get 1,861 tons of ordinary bars and light structurals, and 900 tons of special material, giving a total of 2,761 and in the other statements in which you have given quantities for August it amounts to 2,538 tons, a discrepancy of 223 tons.

Mr Sawday—I am afraid I cannot explain at once. I do not know whether for your purposes actual uniformity is necessary. (This was explained later).

Mr Mather—It is worth while putting the matter right. As you say the July figure is easily explicable owing to the inclusion of the Agrico.

Mr Sawday—But the other I am afraid I cannot explain.

Mr Mather—We come down to this that the discrepancies are either trivial or are explicable except this one for August.

Mr Sawday—I could explain these later. (This was done.)

President—If the wagon orders are excluded and the percentages of sales to various classes of consumers are calculated on the other sales made during the four months June to September 1924, do you think these percentages would be approximately normal?

Mr Sawday—Yes fairly, but for instance 500 tons to Burns' in one month puts the figure considerably out. Last year we had an order for 4,000 tons for tie bars for one month.

President—Is that sales to dealers?

Mr Sawday—That is for engineering firms—tie bars.

President—Do you sell more bars to dealers or to engineering firms?

Mr Sawday—Rather more to dealers, I believe.

President—And light structurals?

Mr Sawday—A great deal more to the engineering firms.

President—In August the delivered price of bars was Rs 180 7 and for light structurals Rs 154, i.e. Rs 6 less. In September it was exactly the other way round the average price of bars being much lower than for light structurals.

Mr Sawday—Possibly the August sales of light structurals consisted mainly of a Madras order. When it is not a large quantity the figures are bound to be affected by sales of that kind.

President—You told us that during the last six weeks the engineering firms (and even the railways) have begun to say that Continental steel is quite good enough for their purposes. Is it bars that are chiefly affected by this change?

Mr Sawday—The influence is on both bars and structural sections. We could give you specific examples in the case of light structurals. The engineering firms cannot quote for the British material. There used to be a heavy demand at this time of the year.

President—For merchant business?

Mr Sawday—For fabricating purposes. The price I have sold at happened to be for bars, but they do feel it in their fabricating business too. Of course in so far as their fabricated business is largely with light structurals, they must necessarily feel it there. I have not got orders at present prices. Normally they use more light structurals than bars for their purposes.

President—Do you think that the tendency to take Continental instead of British standard steel has appeared to that extent in the case of light structurals as in the case of bars?

Mr Sawday—No. As Major Richardson said, for bridges they use British material.

President—Then light structurals have been affected, but not so much as bars?

Mr Sawday—Yes. That is correct. These particular orders we were discussing I got when the customer was on the point of ordering from home instead of under their running contract with us. They naturally hesitate to say "we must break the contract." One of the biggest firms in Calcutta sent an order for 600 tons of Continental material for fabricating work before I could hear of it and suggest some special arrangement if British standard material was not wanted.

President—That is the reason why I am putting these questions.

Mr Sawday—In the case of light structurals Government and the Railways do usually insist on British standard. In the case of bars, for tie bars, dogspikes and so on, those who theoretically ask for British standard do not practically insist upon it. I am quite sure that 5/8 squares for dogspikes are not always tested. There is thus more demand for tests in the case of light structurals.

Mr Ginnala—Do you mean to say that Government and Railways insist on British standard specification?

Mr Sawday—Yes. So far as the engineering firms go we have not been very seriously affected as regards material for railways, as they do actually ask for test certificates for bridge work. They do not test bars. They often accept Continental. The Indian Stores Department, for instance, is buying Continental, for what purpose we do not know.

President—There is a marked fall in the September and October sales of light structurals. I take it that means that in order to maintain your level of sales you will have to cut prices further. Do you attribute the falling of in sales largely to the congestion in the market?

Mr Sawday—Yes, but the ordinary dealer in Calcutta is only in a position to give certain lengths. We are in a position to roll whatever we want and cut to requirements, and there is therefore a continuous demand for our products. You might say that we can go on selling in spite of congestion but must push our prices down in sympathy with the merchant.

President.—Are you able at the present moment to sell a quantity of bars and light structurals equivalent to your normal output per month at the price which you would normally be able to get in competition with Continental steel? I gather you are not.

Mr Sawday—Yes I had a wire one or two days ago from a Belgian firm who offered to buy 3,000 tons of structural and bar mill material of our products for delivery within four months at Rs 130 for Calcutta including their commission Their commission is Rs 5 This works out to Rs 122 for Tatanagar, and four months delivery was not attractive and Rs 122 is absolutely impossible for us So we refused that. Then yesterday I had a letter from one of our dealers asking for 600 tons at Rs 125 for Tatanagar for upcountry I wrote to him that we cannot go down as far as that

President—Do you attribute these very low prices mainly to the congestion of the local market and the accumulation of stocks?

Mr Sawday—I should certainly think you would ascribe Rs 5 a ton to that

President—On the basis of the c.i.f. prices of Continental steel, the present internal prices look extraordinarily low

Mr Sawday—They are low, but in this offer for 2,500 tons by a merchant we do not know what proportion of that is light structurals He will be able to land them at Rs 118 or 119 including Rs 30 He may pay more. The bars will cost Rs 10 more, so the prices is not so low

President.—In October the figures for small quantities were even smaller It perhaps exaggerates the effect a little

Mr Sawday—In the last week we had about 700 tons

President—You think the average is about the same as September?

Mr Sawday—It must be the same because we are selling on the same basis

President—Then in the case of the heavy structurals I have not been able to trace in your prices the effect of selling on the basis of Continental prices I am taking the actual delivered prices

Mr Sawday—We have not supplied to engineering firms below the rates fixed in their running contracts We have not supplied to our bazaar dealers below Rs 155

President—That is, you have not attempted to sell except upcountry?

Mr Sawday—Yes

President—As regards the up country sales, unless the railways withdraw the concession, I take it you will retain that advantage permanently

Mr Sawday—I think we shall

President—I notice that the prices realized from dealers and from engineering firms are almost exactly the same, that is, for practical purposes the freight advantage bridges the gap?

Mr Sawday—Yes We could only get a new contract at about Rs 145 as things are at present, but we shall not do that

President—Do the heavy structurals which you sell to the engineering firms chiefly go into the construction of buildings, bridges and so on?

Mr Sawday—Yes Merchant business from the engineering firms has almost stopped

President—What do you think the probabilities are as regards the substitution of Continental steel in this class of material? If you have anything to say on that point now is the time

Mr Sawday—As regards bazar dealers for up country we can get Rs 20 above the Continental As regards engineering firms Burn & Company do not do buildings, Jessops and Martins do, and I do not think for the class of buildings that Martins do, they would go down to Continental beams I think they will stick to British standard beams

Mr Guinness—Is it not a matter of price? Suppose a man wants to build a huge building He finds that the difference between the British material and Continental is £1—it is very nearly that in the case of bars—he will say ‘I can order British standard specification from the Continent by paying 10 shillings more, what is there to prevent me from using British standard steel from the Continent?’ It is just possible that the engineering firms may think that this is a gap that is going to lose their business Opinion changes and they may say we may save £2 a ton by ordering Continental material

Mr Sawday—Of course that is what has stopped the merchant business. I do not know what the effect is going to be in one or two big works that are coming on in future by the Calcutta Port Commissioners, which will involve the use of something like 8,000 tons of heavy structurals.

Mr Ginnala—Then there is the Howrah bridge.

President—I don't think the off setting duties will last till then. What it comes to is this. Up till now the tendency has not yet revealed itself except in so far as it can be said to be revealed in the fact that engineering firms are buying less heavy structural material.

Mr Sawday—We could try to pull them back to our material by lowering our prices but so far we have not done so.

President—Do you think there is accumulation of stocks in this country of heavy structurals?

Mr Sawday—Continental medium heavy structurals, yes, British structurals, no.

President—What would you normally expect to sell to dealers, about 1,000 tons a month of heavy structurals?

Mr Sawday—About 700 tons a month.

President—In that case it is clear that the trade is slack.

Mr Sawday—The delivery price for June in the case of structurals was extraordinarily low. The price at which we booked was Rs 155 and the delivery price was Rs 150. There was nothing like that difference in the subsequent months. At the end of June we booked at Rs 165.

President—As regards plates there is one figure that struck me. In October you show 70 tons of plates sold to engineering firms at Rs 152 a ton. It is a big drop?

Mr Sawday—We had an order, which must be the October order, from one engineering firm on an inclusive price for plates and bars so that plates were below and bars were high.

President—Then this low price for plates does not mean that there has been a fall to that extent as compared with what you would ordinarily get for plates?

Mr Sawday—No. Of course the average price of plates is affected by the proportion we sell from month to month of thick and thin.

President—Then as regards plates what do you think the probabilities are as to the substitution of Continental for British?

Mr Sawday—As regards $\frac{1}{8}$ " I think there is a certain demand for engineering work but $\frac{1}{8}$ " plates will be universally Continental. The State Railways instead of buying $\frac{1}{8}$ " British plates and giving them to contractors are now accepting inclusive prices from the contractor at a figure which only allows of Continental plates they used.

President—I want to take you to statement II (a). You show special steel in several different places, but I do not think it means quite the same thing in each case. In the case of bars and light structurals, may I take it that it is a special class of steel?

Mr Sawday—'Orders including special steels' would be the best description. In the case of bars and light structurals it is mainly special steel.

President—But it may include a proportion of ordinary steel?

Mr Sawday—Yes.

President—In the waggon orders, are the bars and light structurals special steel?

Mr Sawday—Yes and in the waggon under frame orders. Some of the 'Agrico' material is special and there are one or two other special ones.

President—In the case of heavy structurals, is there really any special steel at all? Is it not rather that the price is special?

Mr Sawday—That is so.

Mr Mather—Have you taken as special steel according to all the different mills or any steel other than British standard specification?

Mr Sawday—I have taken all special steel.

President—Have you obtained a higher price for these than you would ordinarily receive for that class of material?

Mr Sawday—In the waggon under frame order it was certainly higher than the price for mild steel.

President—I am talking of the heavy structurals

Mr Sawday—Yes

President—1,496 tons in August, 2,554 tons in September, both at Rs 162. May I take it that the reason why you have classed these particular orders as special steel is because the price was fixed as part of a single transaction with waggon building firms in which each class of material was not taken at a different rate, but at a uniform rate per ton for all the steel ordered?

Mr Sawday—Yes

President—Does that also apply to plates or is there any special steel?

Mr Sawday—No Mild steel plates There again the price is special not the steel.

President—Whereas in the light structurals there is a good deal of special quality steel?

Mr Sawday—Yes

Mr Ginzala—I was just asking whether substitution might not depend on the difference in price Look at statement IV and statement XIII. In statement IV you give the price of Continental material and in statement XIII of British material

Mr Sawday—Yes

Mr Ginzala—First let us take bars I think June would be a good month to take The price for Continental bars was £6-17-6 I do not propose to add anything more than the freight to get the c. i. f. price because other things may be supposed to be equal £6-17-6 plus 15 shillings, that is £7-12-6 Now take British bars £8-15-0, to that add £1-5-0 that is £10 From that you deduct £7-12-6 The difference is £2-7-6 between Continental and British bars Now take your September price—£5 16-6 for Continental bars, add 15 shillings freight, that makes it £6-11-6, British bars £9, freight £1-5 0, total £10-5-0 From that deduct £6-11-6, the difference is £3-13-6 That is to say, the gap between these months has increased by the difference between £3-13-6 and £2-7-6, that is £1-6-0 You have seen the effect of this on the dealers Take the July figures for Plates—Continental

	£	s	d
July figure	7	15	0
Adding	0	15	0
Total	8	10	0
British price	8	15	0
Adding	1	5	0
Total	10	0	0
Difference between the two is	1	10	0
Take the September figure for plates	7	0	0
Adding	0	15	0
Total	7	15	0
British price	9	7	6
Adding	1	5	0
Total	10	12	6
Difference is	2	17	6

Therefore the gap is increased by £1-7 6, between July and September If it took the same tendency as bars, is there any guarantee that people will continue to use British plates?

Mr Sawday—That has had its effect and the engineering firm can order from the Belgian firm if it wants I would like to accept your argument fully but if they want a special size of plates cut, they are not likely to obtain it so easily, and our quantities for inspection do undoubtedly form a tie between us and our customers

Mr Ginzala—If the gap increases in the same proportion and the Belgian manufacturer knows that the bar market is cut from him, he may turn to plates

Mr Waller—He cannot do that He has not got plate mills

Mr. Girdler—There must be one plate mill there. I am not talking of a particular mill.

President—He means that the country has not got such mills.

Mr. Girdler—It may be so. I am trying to point out to you that if the gap becomes larger and larger it is not impossible that the same tendency may happen in plates as in bars.

President—Do you think the demand is less in the case of heavy structurals?

Mr. Girdler—Yes.

Mr. Girdler—So far as legislation is concerned there is no obligation on the part of the engineering firms to use British steel because there are only two conditions laid down by the law with reference to bounties on wagons, (1) that it is suitable for the public carriage of war material or goods on a railway in India, and (2) that a substantial portion of the component parts thereof has been manufactured in British India. There is no legal obligation on their part in order to get bounties to use any particular material. So long as that is British standard material they can use anything they please.

Mr. Smedley—I know that at one time one of the firms thought of importing.

Mr. Girdler—I don't include it.

Mr. Smedley—Yes.

Mr. Matter—I want to call your attention to statement VII in which you give your actual production for the last six months and your estimated production for the near future. The total of your estimate for 1925-26 exactly compares with the Tariff Board's original estimate of your production for 1925-26. I think an independent estimate by the Company so far as the total is concerned.

Mr. Smedley—It is my estimate of how the production you estimate will probably be distributed.

Mr. Matter—If you do make a total of 335,000 ton, it would probably be divided in that way. It does seem to me probable that, as far as I can judge the circumstances at present, your total will not reach so high as that in 1925-26. In that case of course it means there must be reductions in certain items.

Mr. Smedley—In bar mill material.

Mr. Matter—I presume most of the reductions will fall on shapes, bars, plates and sheets. Sheet bars you are practically committed to I take it, and rails and fish-plates. You are committed probably to these quantities. It is a matter of some little importance at present, because it is of course obvious that the bigger your output is of these items, the more you are driven into competition with Continental material.

Mr. Smedley—Yes.

Mr. Matter—The only other statement I wanted to ask you about is statement XII—Cancellations. What exactly is the meaning of these figures?

Mr. Smedley—Take 316 tons. Of the orders for heavy structurals placed in July, 316 tons have been cancelled at a subsequent date.

President—What about these 308 tons of bars in October?

Mr. Matter—Your bookings in October are the other way round.

Mr. Smedley—I do not think so. We have had heavy cancellations lately. These are the figures I have got from the works. It was about the end of September that I finally told our bigger dealers that we would take at Rs. 145 or Rs. 140 whereas previously the price was Rs. 150 for all orders. I wired to Jamsheerpur in this form and they sent us figures in this form. I will verify the figures.

President—In July 189 tons of bars were cancelled, in August 96 tons, in September 128 tons, and for only 13 days in October 308 tons have been cancelled.

Mr. Smedley—A small balance was perhaps left over when the prices were dropped.

President—Notices do reach you during each month?

Mr. Smedley—We may have received notices regarding July orders in September.

President—The explanation you are now giving implies that these are not the quantities cancelled out of the orders.

Mr. Smedley—189 tons of bars in July were probably what we left over for completion when we began to drop our prices. 128 and 308 show the growing effect of this progressive decline in prices.

President—You know your price during October ?

Mr Sawday—We have come down to Rs 140 to big dealers, if they place 100 tons at a time.

President—It does seem to me that it is a most unexpected figure. In July and August there has been heavy cancellations in heavy structurals 308 in October is puzzling.

Mr Kale—Do the October cancellations refer to orders placed in October ?

Mr Sawday—Yes

Mr Kale—Your orders and the cancellations belong to the same month ?

Mr Sawday—Yes. I shall verify it again.

Mr Kale—I thought orders were placed in the previous month and the cancellation was received next month.

Witness No. 2.

Messrs RICHARDSON AND CRUDDAS, BOMBAY.

A. WHITTEN

Statement I—Representation dated 11th October 1924

With reference to the notice appearing in the *Times of India* of to day's date, to the effect that firms and others interested were invited to send their views to you on the subject of the application by Messrs. Tata Sons, Limited, for a further increase in the duty on imported steel

We beg to put forward our views on the subject as follows —

In the first place we wish to enter a very strong protest against any further increase whatsoever. The steel merchant business on this side of India has already been very badly hit by the duties put on in June last. Where previously Bombay steel merchants were able to enter into competition with the Calcutta merchants for the steel trade of the Northern Provinces they now find themselves cut out, this trade all going to the Calcutta side where Tatas are able to underquote. If a further increase in duty is made the Bombay steel trade will suffer still more and many of the smaller merchants will have to close down altogether.

Then we feel that the principal cause for this demand for further increase in duty is the high rate of exchange now ruling, but this is only a very temporary matter and if the duty on imported steel is to be dependent upon the fluctuations of exchange, the engineering and steel merchant traders of India are going to be very seriously handicapped.

We feel that for Tatas to put forward this demand within 4 months of the passing of the Bill is most unreasonable. Sufficient time has not elapsed to enable them to prove whether the duty now imposed is too low or not, and we protest very strongly against any action on the part of Government till the current duties have been in force for at least a year and until Tatas can show their figures for 1924. If the import duty is to be altered every few months the steel business in steel becomes of the nature of a gamble no one knowing at what rate they may have to pay for steel on order for importation. Further, Engineering firms who have undertaken contracts involving the importation of the whole or part of the material must have some guarantee that the duties will not suddenly be put up before the material can arrive. Either a warning of at least 3 to 4 months should be given so as to enable Engineering firms to get out all the material then on order or else some law is required placing the responsibility for increases in import duty upon the purchaser.

Secondly, we would put forward our views that if and when Government should decide to increase the duties now in force this should most certainly only affect steel imported from the Continent. British steel to day is very little cheaper than it was 6 months ago and with the increased duties it is so expensive as to make it prohibitive for any except very special work, and Tatas can and do compete in price with British makers, so that there can be no possible reason for any increase in duty on British steel.

As regards Continental steel the makers have reduced their price so that it has to a very considerable degree cut out British steel altogether, but should it be decided to increase the duty on Continental steel we do most emphatically state that such increased duty must be put on both fabricated and on raw material, otherwise Government will not only let in the Continental Engineering firms and do very serious injury to the Indian Engineering industry, but also they will stultify to a great extent the effect of the increased duties in so far as Tatas are concerned as it may become cheaper to import ready fabricated steel rather than to buy in the country raw material and have it fabricated in the country.

The latest prices c.f. Bombay for Continental steel as compared with those ruling at the beginning of the year and in June, just before the new duties came into force, are as follows —

	1924			1924			1924		
	January			June			October		
	£	s	d	£	s	d	£	s	d
Continental Beams	8	0	0	7	10	0	6	10	0
British Beams	10	5	0	9	15	0	9	10	0

The above prices are per ton c i f Bombay

There is one other argument we would beg to put forward against any further increase in duty and that is as follows —

The extra revenue accrued to Government through the increased duties in the last four months must be very considerable and if some temporary assistance is considered necessary for Tatas, and we very much doubt whether this is the case, then Government should be able to give this temporary assistance in the form of some increased bounty to tide over the time, while exchange should rule so high.

We trust these views may be given your sincere consideration.

Statement II — Further representation dated 15th October 1924 from Messrs Richardson and Cruddas, Bombay

Your notice in the *Times of India* of the 11th instant calling for views upon the proposed increased duty on imported steel, was headed "Simla" and our letters to you of the 11th and 13th instant on the subject were therefore addressed to Simla. From the notice appearing in to-day's *Times of India* however it would appear that you wish letters sent to you in Bombay.

We imagine our letters of the 11th and 13th instant will eventually reach you but we wish to save time by sending you our views at once, even at the risk of repeating ourselves.

Your enquiry is apparently under two general headings and will therefore endeavour to give our views under each of these.

(1) We protest most strongly against any further increase in import duty because we think sufficient time has not elapsed to enable Tatas or any one else to prove whether the duty as now imposed is too low or not. At least a year is required in order to obtain a fair average and the Tata Iron and Steel Company should be in a position to show their figure for 1924 so as to enable a real investigation to be possible into their working since June when the duty was increased.

The first and principal reason given for the proposed increase of duty is as stated in your letter of the 14th instant published in the *Times of India* of to-day's date.

'The fact that the Board in estimating the future price of imported steel, assumed that the sterling change would be 1s 4d to the rupee, whereas a rate so low has never been touched since the Act was passed and a steady increase raised the exchange to over 1s 6d to the rupee early in October.'

We protest that this factor of a high rate of exchange is a temporary one only and that for the import duty on steel to be dependent upon a fluctuating factor of this nature is most unfair to the Engineering and Steel Merchant trades.

Fixed prices can be obtained from makers in Europe, exchange can be covered, but the rise or fall of import duty introduces a fluctuation over which we can have no control. Engineering firms and merchants will have undertaken contracts involving the importation of the whole or part of the material and if the duty is to be liable to sudden increases before this material can reach India an intolerable hardship will be imposed upon those firms who have quoted prices to their clients. Some guarantee must be given to the effect that the duty will not be raised without due warning, say 3 or 4 months.

The second reason given is this —

"a substantial reduction in the c i f sterling price of Continental steel."

In June last, when the present duties were imposed the c i f price of Continental steel beams, basis sections was £7 10 0 per ton, as against the present day price of similar material of £9 10 0 * showing a reduction of £1 0 0 per ton. But the c i f price of British steel beams in June last was £9 15 0 per ton as against the present price of £9 10 0 a reduction of only 5s per ton and the Tata steel claims to be of British quality so that the reduction in price of the class of steel against which the Tata Iron and Steel Company profess to compete, is very slight.

(2) The second heading of your enquiry is as to "whether the duty should be increased generally or in respect of such articles when imported from or manufactured in any country or countries specified."

For reasons stated above we can see no possible necessity for any alteration in the duty on imported British steel, exchange at any moment may drop back to 1s 4d to the rupee and then the difference between present c i f prices and those ruling in June last will be negligible and should Government wish to help the Tata Iron and Steel Company effectively they can do so by insisting that all Government departments should insist, as was done till recently, upon British or Tata steel being supplied.

As regards Continental steel it is difficult to see why this should enter into the controversy as the original enquiry was conducted on the basis of British steel. If Tatas are prepared to make steel of Continental quality then their costs could be re-examined and if necessary some increased duty imposed on steel imported from the Continent.

In conclusion we would state most emphatically that the Engineering and Steel Merchants trade in India demand some finality on this subject of import duty, some guarantee that this duty will not be increased at short notice as this puts them in an extremely difficult position. When the Bill was passed last June we imagined we had a year at any rate during which duties would remain constant, and this demand by the Tata Iron and Steel Company after only 4 months trial of the new Protective duties, is causing considerable uneasiness.

Should the Tatas demand be acceded to we stand to suffer over all material on order from Europe against definite orders. Then in 4 months time should exchange fall and the duties be reduced again we suffer as regard the value of all our stocks, so that there will be a great uneasiness in the trade and business because of a nature of a gamble which cannot but be to our detriment.

This whole question was not completely and thoroughly threshed out during the first half of this year and we do feel that a 4 months trial is insufficient and we protest against the enquiry being opened again until sufficient time has elapsed to enable a general average to be taken.

Should the Government wish to assist the Tata Iron and Steel Company further than has already been done, they can do so by manipulating finances so as to bring exchange down to a more level basis or they can give some further bounties to Tata from the vastly increased revenue that has accrued to Government during the last 4 months, since the Tariff Bill was passed.

As regards the plants of the Tata Engineering Company that they have had to shut down part of their works, and introduce drastic economies all round. One has only to pick up any English paper to see the state of the work and the steel trade generally in England, works are being closed on all sides and the trade depression cannot be expected to miss the Tata Engineering Company entirely. The drastic economies can only be to their good and the fact that these economies have been introduced after the passing of the Tariff Bill, would seem to prove that their real condition during the time of the enquiry was to some extent at any rate their own fault as further economies were possible.

Should you be taking oral evidence in Bombay we shall be prepared to send a representative at any time suitable to you.

Statement III — Letter dated 18th October 1921

We thank you for your letter No. 1028 of the 14th instant which appears to have crossed ours of the 15th instant.

We would answer your questions as follows —

- (1) Yes, Government Department P.W.D., Railways, etc., are less particular now than they used to be and do not, except in special cases, such as Bridges, specify British or Tata material as they used to do. We have therefore been compelled to use more Continental steel so as to compete with other firms.
- (2) We do not think this is likely to increase as there must always be special work for which British or Tata steel will be specified.

We would beg to take this opportunity of adding to our letter to you of the 15th instant as follows —

In a letter received by us from the Tata Iron and Steel Company, dated 3rd October 1921, giving their Rolling programme for October they begin —

"We beg to give below the Provisional Rolling programmes for our 16" Mill, 28" Mill and New Rail Mill, which is subject to alteration without notice.

As we are already booked up on all these Mills, we regret we cannot take fresh orders for items mentioned therein, for delivery from these rollings."

Then follow the Rolling Programmes

The above, coupled with the fact that their deliveries against orders are getting slower and slower, so much so that we have had to complain very strongly recently, would scarcely seem to bear out their contention that they are not getting sufficient orders and compelled to close down. We have great difficulty in getting our orders attended to by the Tata Iron and Steel Company, and their last excuse was stress of work.

Then again as regards their apparent desire to compete with Continental steel we would beg to draw the Board's attention to the second portion of section 47, chapter IV, pages 27 and 28 of the Tariff Board's report published early this year as regards the Steel Industry. There the Board particularly state the Tata Company does not wish to compete with Continental makers.

We would again state that, as one of the largest steel interests on this side of India, we would be glad to give oral evidence at any time during the Board's stay at Bombay.

*Statement IV—Views submitted by Messrs Richardson and Cruddas on the—
23rd October 1924 re the proposed sliding scale for import duty*

As requested by the President to our Major Richardson, when he was giving evidence before the Board on the 22nd instant, we send you our views on the proposed sliding scale for import duty dependent upon $\frac{1}{2}$ d fluctuation in exchange.

We understand the suggestion to be that the present duties would be taken as having been fixed at 1s 4d to the rupee, and that as exchange rose or fell $\frac{1}{2}$ d so the import duty would increase or decrease, such increases or decreases to only come into force when exchange had shown a constant rise or fall over a period of say two weeks.

With exchange at anything between 1s 3d and 1s 7d to the rupee, a $\frac{1}{2}$ d rise or fall makes a difference of approximately 7 annas in the £1, so that with *Continental* beams at £6-15 0 per ton fluctuations of $\frac{1}{2}$ d in exchange would alter duty by Rs 3 per ton and with *British* beams at £9-10 0 per ton the alteration would be Rs 4 per ton. Say a general average of Rs 3 8 per ton, which with exchange at 1s 6d would mean an increased duty of Rs 14 per ton (Rs 44 per ton).

The above gives an interesting solution of the problem, so far as exchange is concerned, in theory, but we have grave doubts as to its practicability and we object to it for the following reasons—

- (a) It gives a too frequent alteration in duty which is exactly what the Engineering and Steel Merchant trades do not want. Constant fluctuations of duty every few weeks are most unsettling and seriously interfere with business and we sincerely trust they will be avoided.
- (b) Who is to decide when exchange has shown a constant rise or fall of $\frac{1}{2}$ d over a period of say a fortnight? If this is left to the local officials, then we shall have different rates being charged at different ports which would be obviously unfair and there will be constant arguments with the Customs. We attach a list showing the daily opening rates of exchange for the last few weeks, from which you will see that it is very much a matter of opinion as to whether exchange may yet be said to have been constant at 1s 6d or over as it dropped on the 14th, 15th and 16th.

The only fair way would be for the rate to be decided at some Central Agency, presumably Delhi or Simla, and communicated by telegram to all ports, but this seems rather cumbersome.

- (c) The general practice among the larger firms anyhow, is to pay cash in London against shipping documents, through their buying Agencies, so getting a 1½ per cent cash discount, and being only interested with the rate of exchange ruling on the date of shipment. Under the suggested scheme firms would have to grapple with the exchange problem on the date of shipment and on the date of arrival, or else to arrange for payments against shipping documents in India and so lose their cash discount. This is a serious disadvantage.

In view of the above objections we are not in favour of the suggested scheme and would prefer some more permanent rate of import duty, either some definite fixed rate of duty as at present or as a combination of the two, a scheme somewhat as follows—

The rate of import duty to be fixed for periods of 4 months ahead—the present duties to apply when exchange is between say 1s 3d and 1s 5d to the rupee. When exchange can be said to be definitely established at over 1s 5d up to 1s 7d in the rupee, duty to be increased, say Rs 15 per ton for 4 months. The authority for fixing this rise or fall of duty for these 4 monthly periods to be someone at Delhi or Simla who would fix the duty for every port, and the date from which the increase or decrease was to take place.

At the end of a period of 4 months should exchange go up above 1s 7d, a further increase would come into effect, similarly if it should go down to below 1s 5d a decrease would automatically come into force for the next 4 monthly period.

Engineering Firms and Merchants would then know where they were for at any rate 4 months at a time and towards the end of any period they would have a pretty good idea as to whether duty was likely to increase or decrease and could arrange accordingly.

The above deals with the problem as regards Exchange but leaves the problem as regards fluctuation in British or Continental prices and we would protest most strongly against any attempt to introduce any fluctuating scheme of duties to meet this and would ask that it is decided annually as is the case with other imports. To have increases in duty in cases dependent upon fluctuations of *both* Exchange and Foreign prices would make business almost impossible and as regards the latter it would most certainly tend towards fluctuations in cases where entered upon invoices by unscrupulous merchants.

There is one other point that we would lay before the Board most earnestly and that is as follows:—

If it is in any way within the scope of your enquiry we would ask the Board to put in a new amendment to Government with the effect that Legislation should be introduced to make the purchaser responsible for any increase in duty, between the time of placing an order and the importation of the goods or material, provided of course such goods or material are imported within a reasonable time and *vice versa* to make the importer allow to the purchaser any reduction that may be made in Import duty.

The point is that with a constantly altering Import duty Engineering Firms and Steel Merchants are placed in a very difficult position. Government Departments, Public Departments and others refuse to accept clauses in a tender, covering the tenderer against fluctuation in price beyond his control, and insist upon fixed prices and such firms are therefore compelled to gamble and take the risk themselves or else they lose the order.

We have two cases in point at the moment, one a fairly large tender for the supply and erection of steel work in the South of India, part of which will have to be imported, we sent our tender in 7 weeks ago with a clause covering us against any increase in Import duty and we sent an Assistant down with our tender our price was approved and they said they would place the order with us if we would omit this covering clause. We pointed out that we could not possibly do so and apparently the order has been placed with another firm who quoted a higher price but was prepared to gamble on the duty remaining as at present.

The same thing has just occurred with one of the Public Departments in Bombay over a large tender for steel fencing, but here we could do most of the work from stock and would only have to import some 70 tons of material so we decided to take the risk rather than let the order go elsewhere.

It is obviously unfair that we should be placed in this position owing to fluctuations in Import duty over which we can have no control and against which we cannot cover ourselves. Mr Gimwala suggested to Major Richardson that we might cover this risk with Lloyds, but we would ask you to consider what sort of rates we are likely to obtain and whether this can reasonably be looked upon as a business proposition.

We must apologise for the length of this letter but trust our views will be given full consideration.

Opening Daily rates of Exchange T. T.

October	1st	1/5 1/2
"	2nd	1/5 1/2
"	3rd	1/5 3/4
"	4th	1/5 3/4
"	5th	Sunday.
"	6th	1/5 1/2
"	7th	Holiday, market closed
"	8th	1/6 1/2
"	9th	1/6 1/2
"	10th	1/6 1/2
"	11th	Sunday
"	12th	1/6
"	13th	1/5 1/2
"	14th	1/5 1/2
"	15th	1/6
"	16th	1/6 1/2
"	17th	Sunday.
"	18th	1/6 1/2
"	19th	1/6 1/2
"	20th	1/6
"	21st	1/6
"	22nd	
"	23rd	

Oral evidence of Major G. C. Richardson, D S O , M C., recorded at Bombay on Tuesday, the 22nd October 1924.

President—I think perhaps it will be convenient if at the outset of our meeting I make one or two general remarks in connection with the facts out of which the present situation has arisen. What the Board recommended in their Report regarding the steel industry was that certain duties should be imposed which they thought were sufficient to give the protection required, if prices remained at about the level at which they were at the latter part of 1922. They recognized that it was quite possible that owing to a fall in the price of imported steel the protection given might be inadequate. Therefore they recommended that, if the prices dropped for any cause whatever, additional or off setting duties should be imposed. This was considered essential if the protection given was to be adequate. The object which the Board kept in view was that the consumer should be taxed as little as possible. There was an alternative plan which might have been adopted, that is, to put the original duties at a much higher figure giving an ample margin for contingencies, so that even a considerable drop in the price of steel would leave the protection given adequate. That plan was not adopted on account of the obvious objection that if prices rose instead of falling, the protection given would be excessive. This plan which the Board recommended was accepted by the Government of India, approved by the Legislature and embodied in the law. The Tata Iron and Steel Company urge that conditions have arisen which justify, according to the recommendations of the Tariff Board, the imposition of these additional duties, and the Government of India have asked the Board to advise what steps, if any, should be taken to give effect to the intentions of the law. We have not been asked whether a different plan should be adopted which was not before the Legislature in May last. It follows from all this that the scope of the enquiry with which we have been entrusted is very limited, because the Board cannot consider objections which go to the root of the whole system of off setting duties. This is a matter which the Government of India and the Legislature at a suitable time will no doubt be prepared to consider. But whatever the decision may be, it is impossible for the Board, at this stage and in this enquiry, to consider these objections, or to consider alternative plans by which the steel industry in India may be aided by other means. What we have got to bear in mind is that the power to increase the duty on steel was given with the intention that it should be used if the situation justified it. We cannot, therefore, enter into a discussion of theories which imply that the power ought not to exist, or should not be used, or should only be used very rarely. For this reason, I am afraid, we cannot enter into the discussion of certain suggestions made in your letter to the Board. One was that Government should always insist that all Government departments should purchase Indian steel—you do not say whether purchases would be made irrespective of the price or at some price fixed by Government. Another suggestion you make is that Government should take all necessary steps to reduce the exchange. I find a third suggestion in your letter that assistance should be given entirely by bounties from the increased revenue accruing from the new duties. I have not the least objection to your views being placed on record, but I cannot go into the discussion of these alternatives.

Major Richardson—It was not quite clear to us what the scope of the enquiry was going to be.

President—I quite understand that, but I wish to make it clear that it is not owing to any want of respect for your views that we are unable to discuss them here and now.

The first objection that you raise in your letter of the 15th* is "We protest most strongly against any further increase in import duty because we think sufficient time has not elapsed to enable Tatas or anyone else to prove whether the duty as now imposed is too low or not." Then you go on to say "At least a year is required in order to obtain a fair average, and the Tata Iron and Steel Company should be in a position to show their figures for 1924, so as to enable a real investigation to be possible into their working since June when the duty was increased." I think it is necessary to consider what the precise position is which has been created by the Act of the Legislature. In substance what the Legislature did was to accept the recommendation of the Board that, in order to protect the steel industry in India, it was necessary that Tatas should receive for a period of three years an average price of something like Rs. 180 for their steel.

Major Richardson.—Yes.

President—At the end of the three years a fresh enquiry was to be made in order to determine again what was a fair price for steel manufactured in India. These three years began to run from the 1st April, although the Act was not passed until the end of May or the beginning of June.

Major Richardson.—Yes.

President—Nearly seven months have now elapsed since the time the duties were imposed. Possibly another month may elapse before orders are passed and possibly after that it may take two or three months before internal prices adjust themselves, which means that the accumulated stocks are absorbed. By that time ten months will have elapsed out of the three years during which Rs 180 holds good as a fair selling price. It is therefore difficult, to my mind, to say that the application is premature.

Major Richardson—The first reason given by Tatas was the question of exchange. Supposing

President—Let us keep to this point for the moment—that it is too soon. The duties recommended were believed to be just sufficient to give the protection required, and they were expected to raise the price of steel in India to about Rs 180 a ton during the three years. If that was the minimum necessary to establish the industry, and ten months of the period are already gone and the Company have not been able to realize Rs 180 a ton or anything like it, is it premature to raise the question whether something more ought not to be given?

Major Richardson.—I don't think it is quite right to say that it should be taken from 1st April. It should be taken from June when the duty was put on.

President—That does not make a considerable difference.

Major Richardson—The point is that exchange happens to have gone up. If every time the exchange goes up Tatas are going to scream out for extra duties, we will suffer as regards the values of all our stocks and there will be a great uneasiness in trade. Therefore I say the question should only be taken up after a sufficient time has elapsed to enable a fair average to be taken, say, 1½ years or something like that. You yourselves have said that it should be an average.

President—It must be an average however short the period is. Your general view is that the duties ought not to be changed, as a bare minimum, oftener than once in a year?

Major Richardson—Yes, otherwise it affects the whole steel trade enormously. The sudden rise or fall of the import duty introduces a fluctuation over which we can have no control. It imposes an intolerable hardship on us. In our own firm, for instance, we have got three contracts ahead in which we have quoted fixed prices and we are going to be handicapped very badly, if the duty goes up suddenly.

President—Would it be fair to ask whether these contracts were entered into after the Steel Industries Protection Act was passed?

Major Richardson—Yes.

President—Do you not think that the question of off setting duties should have been taken into consideration?

Major Richardson—We considered that. I may tell you that we have lost one contract. When we put in a clause that our price must depend upon the duty remaining as at present they began to ask "What increase would you expect?" We could not tell that and the whole thing is therefore held up.

Mr Ginnala—In the case of exchange, for instance, you will take the precaution of covering yourself, but not in the case of a contract at a fixed price?

Major Richardson—It is very difficult to get them to agree to a clause like that.

Mr Ginnala—Can't you contract with some firm from which you are buying steel to supply you the steel at a price which is prevailing when the exchange is at a certain figure?

Major Richardson—We buy at *f o b* prices.

Mr Ginnala—Supposing you were sending orders Home and the exchange was at 1s 6d. On that basis you took the order. Then you cover the exchange. Why not cover against fluctuations in the price of steel?

Major Richardson—How can I cover the steel? I buy at the *f o b* price. Between the time of placing the order and getting the stuff out suppose the exchange goes up, I have to pay extra on the steel.

Mr Ginnala—You may get what you require possibly in the country

Major Richardson—I don't think we can.

Mr Ginnala—It is not impossible for you to minimize the risk you are talking about by covering your requirements.

Major Richardson—I think it is impossible. The duty probably knocks us out of court. The whole thing becomes a gamble, no one knowing at what rate they may have to pay for steel on order for importation. The man who takes the risk gets the order. If, for example, Jessop's or any other firm quotes a fixed price they will get the order. That is what it comes to.

President—It is conceivable that you could cover the risk by a forward contract with Tatas?

Major Richardson—But their prices are too high.

President—On the Bombay side you are in greater difficulties than Calcutta?

Major Richardson—Much more. Here it is extremely difficult.

Mr Ginnala—But if the Calcutta firms wanted to compete against you they have got to send the steel, bought from Jamshedpur, after fabrication from Calcutta to Bombay.

Major Richardson—We used to compete on equal terms with Calcutta in the north of India—in Delhi, Lahore and so on. Now it is getting very difficult because, if Calcutta can buy from Tatas, they have only got to pay the freight from Jamshedpur to Calcutta and from there they manufacture and send it up to Delhi. If we buy from Tatas we have to bring the steel to Bombay, manufacture and then ship it to Delhi.

Mr Mather—Will Tatas sell to you at exactly the same price as they do to a Calcutta firm?

Major Richardson—I cannot tell you. Tatas' price quoted to us was based on the British price.

President—If the price of imported steel is the same in Calcutta and Bombay and it is open to you to buy either from Tatas or from Europe, it is difficult to see how you have to pay more for steel, wherever it comes from.

Major Richardson—I do not say wherever it comes from. I say they were buying from Tatas.

President—Your point is that, if you try and effect some sort of insurance policy, it is not so easy for you as it is for the Calcutta people.

Major Richardson—Yes.

President—Let us return to the point from which we started. Assuming that the legitimate way of giving the assistance the industry requires is by increasing duties as the price of the imported steel goes down, you say it is premature to open the question now.

Major Richardson—It has just happened during these four months when the exchange has gone up.

President—We shall pass on to the exchange question in a moment. You say that this factor of a high rate of exchange is a temporary one, and that for the import duty on steel to be dependent upon a fluctuating factor of this nature is most unfair to the engineering and steel merchant trades. You point out that normally the exchange tends to be low in the hot weather and high in the cold weather.

Major Richardson—I am not a financier, and I am not competent to give an opinion on that. The general opinion is that the Government are not likely to let it go beyond 1s 6d if it can help it?

President—Is it likely that it will go below 1s 6d in the near future?

Major Richardson—I am not able to tell you that.

President—The Board have no information except what is common property. The monsoon has been favourable, the jute and cotton crops are good on the whole, and the trade in these two commodities is likely to be good. A considerable amount of money will be required to finance them and there is already a long demand for currency. These are the conditions which usually lead to a high exchange.

Major Richardson—I do not know.

President—The Board must assume that for the next few months or so the exchange is not likely to fall. If the Government of India consider that our anticipations are incorrect they can make the necessary allowances. But I do not think we can say that this is only a temporary fluctuation in exchange and that it will soon return to 1s 4d.

Major Richardson—The exchange for the last four or five years has been going up and down, and I do not see why it should not do it again.

President—Owing to the way in which everything in this world is closely interlinked, these violent fluctuations during the last few years have been closely connected with the political troubles in Europe and the general state of business in the whole world. It would be rash to say that we are at the end of political troubles, but still, so far as one can see, things have been settling down and the danger of an upset is less than it was two or three years ago. If so, the danger of violent fluctuations in the value of the rupee produced by circumstances in other parts of the world is not so great as it was.

Major Richardson—Yes, but I do not claim to know anything about these things.

President—You say it is purely a temporary feature?

Major Richardson—I do think so and I shall be very sorry if the exchange remains at 1s 6d.

President—Perhaps I may put it this way. Would it be more prudent for a business man to proceed on the assumption that the exchange was likely to remain at 1s 5d for some time, or on the assumption that it will soon go down? I suggest that former hypothesis is the better. That is really all one can say about it.

Major Richardson—Yes.

President—Supposing we grant for the purpose of argument that the exchange is likely to remain at 1s 6d for the next few months, would you still say that it is premature to do anything as regards the imposition of an additional duty?

Major Richardson—Provided it is guaranteed that it is going to remain at 1s 6d and provided also it is guaranteed that at the end of six months, if the exchange dropped down, the additional duty would go.

President—In the next part of your letter you say that you cannot cover the rise and fall in the duty.

Major Richardson—One can cover anything, but it is not a feasible proposition.

President—To cover in advance changes in the rate of duty is a novelty, whereas the covering of exchange is a business in which people are accustomed to calculate the risks. They know what is the proper margin to allow and so on.

Major Richardson—Yes.

President—I notice you say later on in your letter that what the Iron and Steel trade in India ask for is finality. If there is going to be a system of protection, I doubt if you can have finality except at a very high price.

Major Richardson—What we do ask for is whatever is fixed should be final for a certain period, so that we know that, for instance, on the 1st April 1926 the question is going to be reopened. If the question is liable to be reopened at any time, it upsets the market altogether. One does not know where one stands. For instance, last June when the duty was put on I rather imagined that for one year we would be doing business in the normal way. I never dreamt that the thing would be reopened so soon.

President—It was precisely because of the uncertainty of the future that the Tariff Board found it necessary to provide for this contingency. It did not foresee any more than anybody else this extraordinary drop in the price of Continental steel accompanied simultaneously by a rise in exchange. But we recognised the uncertainty of the future and from our own different point of view we tried to insure against it.

Major Richardson—Yes.

President—There is one more point which may be raised in connection with this paragraph about the difficulty of covering fluctuations in the duty. Supposing the Government of India announced that for each fluctuation of a half penny in the exchange value of the rupee the duty would be increased or diminished by Rs 4, do you think it would be easier then to cover in advance fluctuations in the duty?

Major Richardson—When we order steel we pay in London against shipping documents through our buying agents. We pay in cash and we get a discount for cash payment. According to your proposal the exchange will have to be taken on the day the goods arrive in India so that one will have to try and get the c i f price instead of the f o b price, and then cover the duty.

President—What was in my mind was this. Inasmuch as covering of exchange is an ordinary operation which can be done at any time if the fluctuation in the duty were closely linked to the exchange, the two things would go together so to speak. It would be exactly the same kind of risk.

Major Richardson—That will come very nearly to what I gather Mr. Ginnwala was discussing with Mr. Hayward yesterday, that steel has to come in at something like Rs. 180 a ton. The c i f price plus duty and so on must be Rs. 180, and the Customs people will work it out.

President—I do not think that Mr Ginnwala went as far as that. What was in Mr Ginnwala's mind is this, that if the exchange rose by 1d and there was *prima facie* no reason to think that there had been any other change in prices, then it should be understood as a matter of course that the protective duties should be raised. It is entirely in the hands of the Government of India because full power has been delegated to them under the Act. The point I was anxious to get your opinion about is how far a declared policy of this kind might make it easier for you to insure in advance against changes in the duties.

Major Richardson—I have not thought of it from that point of view.

Mr Ginnwala—The intention of the Board when they made their recommendation was that, so far as Indian prices were concerned, the Indian industry was to get a stabilised price in the neighbourhood of Rs 180 so that any man who buys steel knows that it is the price he may have to pay and therefore he can secure himself. If you have been able to buy at Rs 165 owing to the fluctuation in exchange, you have been lucky. You know what the extreme liability is on the other side. You may have to pay Rs 180 if the Government intervene, and you increase the duty generally but not in any individual case. Generally speaking as the President put it to you, supposing we took the exchange at 1s 6d.

Major Richardson—You must have some sort of sliding scale on fabricated steel also, otherwise the buyer out here would have to take the risk of having to pay more at the last moment. He would rather buy the fabricated and pay 25 per cent and finish with it. I have not thought of it from that point of view but it sounds to me all right.

Mr. Ginnwala—The point to be borne in mind is this. The Legislature has enacted that the indigenous industry ought to get Rs 180. They have made certain exceptions. The machinery should be so applied that the price remained in the neighbourhood of Rs 180. Then you know where you stand.

Major Richardson—One means I can think of is this. If you are going to have a fixed price of Rs 180 it is going to be a gift to the steel people at Home who will say "what is the good of trying to undercut and bring the prices down? It means putting the money into the Government of India's pockets. Why should we not have it?" That would help the British steel makers as against the Continent.

Mr Ginnwala—So much the better.

Major Richardson—But India at the present moment does not.

Mr Mather—Is there any reason to think that the British steel maker would be better able to do it than the Continental? The latter also will do it.

Major Richardson—If the price is fixed at Rs 180 one would necessarily go in for British steel which is better. Therefore it is going to be a gift to the British maker.

Mr Ginnwala—That position may not arise and, supposing it arises, there is no inherent objection to it.

President—If the action taken results in raising the price of imported steel that is what we want.

Major Richardson—It is not going to help the Government at all. The makers will get the duty.

President—One small point in page 3. You say "In June last when the present duties were imposed the *c i f* price of Continental steel beams, basis sections, was £7-10-0 per ton as against the present day price of similar material of £6-10-0, showing a reduction of £1-0-0 per ton."

Major Richardson—There is a mistake there. £6-10-0 for Continental was really too low. When I was writing this letter I sent to the fellow who keeps Continental prices a chit and he quoted £6-10-0. On looking through the correspondence I found that was the price for a cheap lot of Continental steel. £6-15-0 is the correct figure. I apologise for the mistake.

President—The duties which were imposed in June last were based on the prices of the latter half of 1923 and so we want the difference between the prices of September and October 1923 and of 1924.

Major Richardson—You have got them. I think Mr. Hayward gave you these figures.

President—I referred to the point in order to make it clear that it is not a question of changes which have occurred since last June. The duties recommended were based on the prices of the latter half of 1923.

Major Richardson—I quite realise that.

President—Then we come to this other suggestion which I have explained and which you are not in a position to answer. You say that the original enquiry was conducted on the basis of British steel. It is not quite correct to say that and it would require a good deal of qualification. The extent to which Continental prices

were likely to affect the price of Tatas' steel was kept in view throughout. Also you cannot lay down one rule for all classes of steel. In the past the Jamshedpur prices have been nearer to the British, but in the case of bars it would not be so.

Major Richardson—No.

President—Then you have referred to the shutting down of certain branches of the works at Jamshedpur. One of the blast furnaces, I believe, has been shut down, and the merchant mill has been put out of commission temporarily, but neither of these was operating in the latter part of 1923. Both are branches of the Jamshedpur works which were opened up in the expectation that they would be able, under protection, to get certain prices for their steel. This does not apply to the blast furnace, but it does apply to the merchant mill, and in fact they have not succeeded in getting anything like Rs 180 a ton for steel bars. They cannot sell sufficient quantities of steel at a profitable price. I hardly think the way you have stated the case is quite fair to the Iron and Steel Company.

Major Richardson—I saw published in the papers what you said about my letter to the Board which was read by you when Mr Sawday was examined the other day. From what I could gather from the evidence the effect was rather as if we had a sort of knock at Tatas which is not what we meant. That is quite a wrong impression. We are fighting for our interest just as they are fighting for theirs.

President—You were referring to the rolling programme?

Major Richardson—That was about delay in deliveries. I do not want to produce the letter in public but this is the letter I was referring to.

President—I think it is the same rolling programme which Mr Hayward handed in the other day, and I certainly think that the wording of the circular was calculated to convey an impression that the works would be fully occupied for a long time. But I gathered from what Mr Sawday said that it was entirely misleading, that the number of unfilled orders they have at present is abnormally low, and that the October pressure would not be repeated in subsequent months.

Major Richardson—When the circular came in on about the same day as their first notice appeared in the papers it did not read quite right.

President—You were perfectly right in bringing it to the notice of the Board. It is a pity that the Iron and Steel Company did not sufficiently guard themselves in the circular, for it was most important that the situation should be made clear.

Mr Ginnala—With regard to this delay, in addition to what the President told you, I want to draw your attention to our Report. The Tariff Board was bound to consider the point of view of the consumer and so to make proposals as to minimise the burden on him and for as long a time as possible, and this is what the Tariff Board did in fixing Rs 180 as the price the indigenous industry ought to get. In paragraph 94, where we make the estimate of the production and the profit they may make, this is what we stated: "On a production of 250,000 tons of finished steel, which is all that is safe to rely on in 1924-25, the overhead charges alone would approach Rs 50 a ton and an average selling price of Rs 180 a ton would leave little or no margin for the return on capital. In 1925-26 production might rise to about 335,000 tons and the incidence per ton of the overhead charges would then drop to Rs 39. As the works expenditure would also be lower there would be a margin of profit". Only a margin of profit, mind you.

Major Richardson—Yes.

Mr Ginnala—"The full production will not, we think, be approached until 1926-27 and not till then would the manufacturer obtain what may be considered a normal profit". So that the first year is of great consequence. If we leave them no margin in the first instance and they go on losing because of these fluctuations in the prices, it must be not on the finances of the Company. They may not be in a position to withstand what is taking place or they may not be able to finance themselves. For that reason delay is of much greater consequence than would appear at first sight. The only alternative for us would have been to have recommended Rs 20 or 30 more. In that case delay would not have mattered so much.

Major Richardson—No.

Mr Ginnala—With regard to these fixed contracts you will agree with me that the difficulties of covering your purchases is more due to the fact that the trade of the country is not organized, and that stocks in the country are not kept up to the requirements?

Major Richardson—Certainly not. That in course of time may be set right.

Mr Ginnala—It may take many years. If this argument is correct, you throw upon the only steel works in the country the onus of keeping stocks?

Major Richardson—It is not so much a question of stocks. It does not pay from the engineering point of view to use goods from stock, and we have to use definite lengths, and if we order steel against a definite contract we order in these specific lengths. These have to be rolled out and out.

Mr Ginnala—That is itself due to the fact that there is only one steel company in the country. Supposing there were half a dozen companies—the idea of protection is that there should be more steel companies in the country eventually—to meet the requirements of the country. That is the goal. If you do nothing to protect the only existing steel works in the country, your goal will never be realized.

Major Richardson—That is true.

Mr Ginnala—So there is something to be said. Even if there is a certain risk which must exist, that engineering firms might have to pay some enhanced duties, that risk would gradually disappear or would be so minimised as not to be of any consequence?

Major Richardson—That would disappear as this country met all their requirements.

Mr Ginnala.—To that extent then you agree?

Major Richardson.—Yes.

Mr Ginnala—The President has pointed out to you that the question of bounties does not arise. Supposing it was possible for Government to give bounties in this case, how do you suggest they should be given, on the stock or on the future production?

Major Richardson—If you want to put it on, Government should pay bounties of, say, Rs 5 to Tatas on all imported steel, that is one way of doing it.

Mr Ginnala—The difficulty is this. Even if the duties are increased it will take perhaps a few months to produce effect, I mean to be really effective. In the last six months the company's stocks have increased, perhaps they will still go on increasing. Therefore, unless Government is prepared to pay a bounty on the stocks as well as on the production, the industry will be no better off.

Major Richardson—Stocks will go under the heading of production. Only the stock they have now got will not go under the heading of production, but their future stock will go under that heading.

Mr Kalc—There seems to be some misapprehension that the present enquiry is a sort of re-opening of the whole question which was settled, so to say, in June. I want to point out that our enquiry does not re-open the question, because the whole scheme of protection which was approved by the Legislature contains this provision, and not only that, but Government has the power to impose additional duties if it is considered necessary, so that action could have been taken much earlier.

Major Richardson—The point I was driving at was not so much that but that a certain fixed time, if possible, should be allowed to elapse. If prices are continually to go up and down, the position becomes impossible for steel merchants. If they can be fixed for a certain time and things remained stationary, so to say, we could carry on. This continual danger of change is bad.

Mr Kalc.—Has not frequent change become a common feature of trade recently? There are greater fluctuations in the cotton trade, for instance. Present times are so bad that fluctuations are to be found everywhere and the steel industry is not likely to be exempt from the evils of the conditions in the midst of which we live.

President—Turning now to your letter of 11th October,* I notice that you begin by saying "The steel merchant business on this side of India has already been very badly hit by the duties put on in June last. Where previously Bombay steel merchants were able to enter into competition with the Calcutta merchants for the steel trade of the northern provinces, they now find themselves cut out, this trade all going to the Calcutta side where Tatas are able to underquote." Do you find a considerable change this year as compared with the last year?

Major Richardson—Yes.

President—My point is that this displacement of imported steel by Indian steel is exactly what protection is meant to secure? It is not a question of Bombay versus Calcutta.

Major Richardson—I don't know that it is all Tatas' steel that is sold there. It cannot be all Tatas', because from their rolling programme it appears they have rolled very few bars, so that it cannot be bars, it may be angles and so on.

President—There have been no changes in the circumstances which would render it easier for imported steel to go up-country from Calcutta rather than from Bombay.

Major Richardson—It must be angles, tees and so on.

* Statement I.

Major Richardson —I am not arguing from the point of view of the steel industry in England. I have got no interests there.

Mr Ginnwala —That is a thing which is more likely to bring back British steel into this country.

Major Richardson —That is beside the point. The question whether Britain can manufacture steel cheaper or not is beside the point.

Mr Ginnwala —The object you have in view can be attained only if Great Britain is able to compete against the Belgian steel in Great Britain.

Major Richardson —My point is that Tatas' steel compares with British steel, not with Continental steel in regard to quality. If Government refuses to take a lower quality as they have been doing for these few months, it will certainly keep out Continental competition and it will be better for Tatas too. Government are on the one hand giving protection, and on the other hand they are not using Tatas' but are using Continental steel.

Mr Ginnwala —Because there is so large a difference between the two prices. If that difference becomes smaller, your suggestion may be followed.

Major Richardson —Yes.

Mr Mather —Do you find during the last few months an increase in the tendency of the Railways on this side of India, for whom you do engineering work, to take Continental steel in important structural work?

Major Richardson —Not in bridges. There they do insist on British standard.

Mr Mather —For miscellaneous work?

Major Richardson —They do accept Continental steel.

Mr Mather —At one time they had practically none?

Major Richardson —There has been a distinct change.

Mr Mather —So that the position is, as far as you can judge from the experience of your firm, that if Tatas want to sell steel to you to fabricate on this side of India, they will have to come nearer to the Continental price than would have been necessary two years ago because of the big spread between British and Continental prices?

Major Richardson —Yes.

Mr Mather —There is one point more. The President explained to you about the additional duty of 25 per cent *ad valorem* which was put on under the Steel Protection Act. It rather more than compensates the engineering firms for the actual increase in the price of unfabricated steel. During the period in which the prices of unfabricated steel have been falling has there been any tendency for the Continental fabricated steel to be imported?

Major Richardson —It is being still sufficiently covered.

Mr Mather —Up to the present, 25 per cent *ad valorem* on fabricated steel has served its purpose of protecting the fabrication of steel in India, so far as you can judge?

Major Richardson —Yes.

Mr Mather —You have no definite evidence to show how near the mark you may be?

Major Richardson —I do not know.

Witness No.

Messrs. JESSOP AND COMPANY, CALCUTTA, •

WRITTEN.

Statement I : Letter dated the 20th October 1924

We have to acknowledge receipt of your wire and have pleasure in giving the information asked for —

C I F Prices April to September 1924 British and Continental steel. We enclose a statement A giving the rates cabled us monthly for various kinds of British and Continental Steel as specified. We have omitted figures for light rails, regarding which we have no reliable information.

Proportion of British Material for Merchant Purposes We enclose a statement B showing the approximate proportion of British, Tata and Continental materials we have purchased in the past year.

In Accumulation of Stocks abnormally large at Prices Accumulations of stocks are in our opinion abnormally large. This is due, we think, partly to merchants being tempted by lower costs than in 1923, and partly by the thought that the post war slump could not reduce prices further, but mainly we think in anticipation of the Tariff being introduced most makers built up heavy stocks.

Has our Import of Continental Steel increased We only began to seriously consider the import of Continental steel at the end of 1922 when we placed a few trial orders, of which only a portion were executed probably on account of disorganisation of the Continental Industry through the French occupation of the Ruhr Territory. At the end of 1923 deliveries again became possible and, as most of our constituents refused to pay the difference between cost of British or Tata and Continental materials, we increased our imports of the latter considerably.

Will the amount of continental steel we use continue to increase. If the present disparity in price is maintained we think the use of Continental material will be more largely demanded by our constituents and the proportion of this consumed will increase at the expense of British and Tata Works.

We shall be pleased to give you any further assistance you require, if able to do so.

STATEMENT A.

C. I. F. Prices of British and Continental Steel, April to September 1921.

	April 1921.		May 1921		June 1921.		July 1921.		August 1921		September 1921.	
	£.	s. d.	£.	s. d.	£.	s. d.	£.	s. d.	£.	s. d.	£.	s. d.
<i>British</i>												
Bars, Flats and Rounds	0 12 0		0 12 0		0 12 0		0 10 0		0 10 0		0 7 6	
Beams	0 12 0		0 12 0		0 12 0		0 10 0		0 10 0		0 7 6	
Angles	0 12 0		0 12 0		0 12 0		0 10 0		0 10 0		0 7 6	
Tees	0 12 0		0 12 0		0 12 0		0 10 0		0 10 0		0 7 6	
Plates	0 10 0		0 10 0		0 10 0		0 10 0		0 10 0		0 11 0	
<i>Continental</i>												
Bars, Flats and Rounds	8 3 0		7 12 0		7 8 0		8 3 0		6 18 0		6 14 0	
Beams	0 18 10		0 18 10		0 18 10		0 18 10		0 10 3		0 10 3	
Angles	8 2 0		7 11 0		7 8 0		0 18 0		0 18 0		0 14 0	
Tees	8 12 0		8 7 0		8 2 0		7 7 0		7 14 0		7 3 0	
Plates	0 2 0		8 15 0		8 15 0		7 7 0		8 2 0		7 17 6	

STATEMENT B

Approximate percentage of British, Tata and Continental Material of various Sections used in the past 12 months

	British	Tata	Continental.
Bars, Flats and Rounds	35%	40%	25%
Plates	35%	50%	15%
Beams	60%	30%	10%
Channels	66%	34%	
Angles	45%	45%	10%
Tees	50%	20%	30%
Total	50%	35%	15%

Statement II—Letter from Jessop & Co., Ltd., dated 21st October 1924

We notice that the Government of India have approached the Board to make further investigations into the question of the tariff on structural steel, but no mention is made as regards the duty on fabricated steel

We therefore wish to lay before you the present position to show how vital it is that this question should also have your serious consideration

(1) When the tariff on fabricated steel was placed at 25 per cent *ad valorem* and on raw material at Rs. 30 per ton exchange was 1s 4d per rupee and raw material Rs. 150 per ton *c : f* Calcutta Rs. 30 per ton on Rs. 150 = 20 per cent

(2) Recently we have heard of an offer of £6 10 0 *f o b* English port This represents £8 per ton *c : f* and at 1s 6d exchange = Rs. 107 per ton for raw material Rs. 30 per ton on Rs. 107 = 28 per cent

(3) Steel from the Continent has a freight rate of 14s 3d per ton against 21s 3d per ton from British ports and can be imported at £6 15 0 per ton *c : f* Calcutta, which at 1s 6d exchange = Rs. 90 per ton Rs. 30 per ton duty on Rs. 90 = 33½ per cent

It can be seen from the above that the present duty of Rs. 30 per ton on low priced material places us, with an *ad valorem* duty of only 25 per cent on fabricated steel, at a great disadvantage with our foreign competitors

It appears to us therefore that whatever reason made it necessary to adopt a specified figure as a tariff on raw material applies to fabricated steel and we consider that unless the duty on fabricated steel is increased preferably by a fixed rate per ton, we shall not be able to compete and the double object of the tariff, *viz.* to support local industries and find an outlet for the Tata Company's output will be frustrated

Should the duty on steel be further increased our position if possible becomes even worse unless the fabricated article has substantial support

The present tariff of 25 per cent represented Rs. 60 per ton when fabricated steel cost Rs. 240 without duty which was the approximate figure when the Board previously had this subject under consideration Of this Rs. 60 we had to pay the steel manufacturer Rs. 33 to cover the tariff on raw material including waste This left us with a net advantage of Rs. 27 per ton

We are asking for no more than that this duty Rs. 60 per ton or its equivalent be preserved to us under all circumstances of exchange and duty on raw material, and we give below a formula and later applied to some examples to show how we have arrived at our final conclusion.

Fabricated steel should we consider carry a duty of 1 l of the duty on raw material *plus* $a - (b - bx)$ where a = Local manufacturer's conversion cost only, b = imported conversion cost £5 at 1s 4d exchange and x = 1s 4d exchange divided by current exchange both figures in pence

Example at 1s 4d exchange and material Rs. 150 per ton, *c : f*, *plus* duty Rs. 30 per ton

Imported Cost.		Local Cost.	
	Rs		Rs
Material	150	Material	150
Wastage 10 per cent	15	Duty	30
Conversion £5	75	Wastage	18
	<hr/>	Conversion	<hr/>
	240		102
Duty 1 l of Rs. 30	33		<hr/>
Duty on conversion 102 — (75 —			300
(75 — 75 16/18)	27		
	<hr/>		
	300		

Example at 1s 6d exchange and raw material Rs 107 c i f per ton *plus* duty Rs 30 per ton

Imported Cost		Local Cost	
Material	Rs 107	Material	Rs 107
Wastage 10 per cent	10 7	Duty Rs 30	30
Conversion £5	66 6	Wastage 10 per cent	13 7
		Conversion	102
	184 3		
Duty 1 l of Rs 30	33		252 7
Duty on conversion 102 — (75 — (75 — 75 16/18)	35 4		
	252 7		

Example at 1s 6d exchange and raw material Rs 107 c i f per ton *plus* duty say Rs 73 per ton

Imported Cost		Local Cost	
Material	Rs 107	Material	Rs 107
Wastage 10 per cent	10 7	Duty 73	73
Conversion £5	66 6	Wastage 10 per cent	18
		Conversion	102
	184 3		
Duty 1 l of Rs 73	80 3		300
Duty on conversion 102 — (75 — (75 — 75 16/18)	35 4		
	300		

Our final conclusion therefore is that we require a fixed tariff per ton on 1 l of the tariff on raw material *plus* Rs 27 per ton when exchange is 1s 4d, Rs 35 4 when 1s 6d, Rs 42 when 1s 8d, and so on, but if on the other hand exchange fell say to 1s 3d, we should only require Rs 22 per ton in addition to 1 l of the tariff on material

It can be seen therefore that our formula can be applied for any variation of exchange provided we always in addition receive 1 l of the raw material tariff

We trust we have succeeded in placing the tariff requirements of our business clearly before you.

Witness No. 4

Messrs. FARRIS ENGINEERING, LTD., CALCUTTA.

Written.

Letter No. 1000, Dated 10th October 1924

We refer to the letter of the 1st September 1924 received by your Board regarding a proposal by Messrs. The Iron and Steel Company, Limited, for increase in duty on steel, and the reply in attention to the effect which such increase is likely to have on the cost of the manufacture of Light Railway material: Tipping Wagons, Coal Trucks, and the "Jointed" and "Solid" structural work.

The increase in the rate of duty on steel tariff, as affecting us, under the existing and proposed schedule.

It will be observed from the above that if any increase is made in items a, b, c and d, the duty on Light Railway material is stepped by competition from imported goods unless a commensurate increase is made in the rate of a, b, c and d.

We state that the above points may have due consideration from your Board, and shall be glad to furnish any further particulars which may be required.

Description		Rate of Duty		Rate of Duty	
Description		Rate of Duty	Rate of Duty	Rate of Duty	Rate of Duty
Light Railway material		10 per cent	10 per cent	10 per cent	10 per cent
Tipping Wagons		10 per cent	10 per cent	10 per cent	10 per cent
Coal Trucks		10 per cent	10 per cent	10 per cent	10 per cent
"Jointed" and "Solid" structural work		10 per cent	10 per cent	10 per cent	10 per cent
Light Railway material		10 per cent	10 per cent	10 per cent	10 per cent
Tipping Wagons		10 per cent	10 per cent	10 per cent	10 per cent
Coal Trucks		10 per cent	10 per cent	10 per cent	10 per cent
"Jointed" and "Solid" structural work		10 per cent	10 per cent	10 per cent	10 per cent

Witness No. 5

Messrs. BURN AND COMPANY, CALCUTTA.

Written

Letter dated the 21st October 1924.

We duly received your telegram of 14th instant in which you ask for the following information, viz:—

- (1) Approximate c.i.f. prices in sterling at which mild steel common bars, light rails under 30 lbs., plates, beams, channels, angles and tees had been imported for months April to September 1924. Continental and British prices to be given if available
- (2) State whether prices quoted are British or Continental
- (3) Approximately what percentage of our merchant business in above kinds of steel is in British material
- (4) Is accumulation of stocks of above kinds of steel unusually large at present and if so to what causes is this due
- (5) During last year has our consumption of Continental steel increased to any extent and do we anticipate that it will increase if difference between British and Continental prices continues large

In reply we have pleasure in giving you the following particulars for your information and guidance, viz:—

- (1) Average c.i.f. prices—See enclosure
- (2) These average prices are based on the weekly metal reports received from our London Office and are for British material manufactured to British Standard Specification, but during this period referred to our Home Office have placed orders for British steel at 10 shilling per ton under above prices

We regret we have no information regarding average costs of Continental material for the months referred to

- (3) Our merchant business has been in British Standard Specification material only
- (4) We do not think so
- (5) We have never used Continental Steel in the past but recently, as we have been practically driven out of the merchant business, we have had to indent for Continental steel. We consider increased use of Continental steel will continue if difference in price between British and Continental steel is maintained

Trusting the above will be of assistance to you

(1) Average C.I.F. Prices

	Ship plates,	Channels,	Beams,	Angles,	Tees,	Rounds 3" to 5½",	Plates 5" and under,	Plates 5" and over,	
Average Basis for April 1921 ..	c s d 10 13 1	c s d 10 3 7	c s d 0 17 10	c s d 0 17 10	c s d 10 18 0	c s d 11 0 3	c s d 11 11 0	c s d 10 8 2	C.I.F. etc.
Average Basis for May 1921	10 13 1	10 0 5	0 15 3	0 15 3	10 15 11	11 3 8	11 8 11	10 5 7	Do.
Average Basis for June 1921	10 11 8	10 0 5	0 15 3	0 15 3	10 15 11	11 2 5	11 7 7	10 5 7	Do.
Average Basis for July 1921	10 10 6	0 10 5	0 14 3	0 14 3	10 14 11	10 18 0	11 3 8	10 1 7	Do.
Average Basis for August 1921	10 13 1	0 17 10	0 12 8	0 12 8	10 13 1	11 0 0	11 5 8	10 3 3	Do.
Average Basis for September 1921	10 13 4	0 17 10	0 12 8	0 12 8	10 13 1	11 1 2	11 6 3	10 3 3	Do.

Witness No. 6

Messrs BIRE AND COMPANY, CALCUTTA

WITNESSES

Deposition taken on 23rd October 1924

In view of the further urgent enquiry into the position of the steel trade, we beg to record our support of Messrs Tata's application on the following grounds—

1. Messrs The United Steel Corporation of Asia, Limited are totally unable at present to raise the necessary funds for steel making, and if the Tata Steel Works were to collapse, due to lack of support at the present critical juncture, we are afraid our friends at home would decide to finally to abandon the project for India.

2. On behalf of the Coal Companies, under our Agency and allied to us, both those supplying coal to the Steel Works and those that do not, we beg to record that the failure of the Steel Works would plunge the coal trade into a greater depression even than the now threatening for other reasons.

3. In so far as Engineering Works are concerned, we do not think that now the principle of the Tariff has been agreed to, an addition to the Tariff will cause much effect, especially as most of its are holding large stocks and are not likely to be having large quantities coming forward to be affected by an increased Tariff. But if delay occurs, we are afraid further quantities will be ordered on speculative account in the hope of a Tariff increase later.

4. We are convinced of the inherent soundness of the Steel industry in India on economic ground and of its necessity to promote the industrial advance of the country, and we therefore urge further protection on these broad lines also.

Witness No. 7

THE MAWSON-VERNON COMPANY, LTD, BOMBAY.

WRITTEN

Representation dated the 23rd October 1924

In response to the invitation appearing in the "Times of India" dated Wednesday October 15th, 1924, page 10, where it is stated that "the Board will be glad to receive expressions of opinion from those interested and etc," we have the honour to submit that in our opinion no increase in duty should have been or should hereafter be levied on any sections which Messrs The Tata Iron & Steel Co, Ltd, are unable to supply

We addressed this Company on the 18th of September 1924, *vide* our letter No 1180-10, a copy of which is herewith enclosed, to which we received a reply, Ref S 17939, dated the 3rd October 1924, herewith enclosed in original

The specification given by us is an ordinary one for bars suitable for reinforced concrete work The enquiry was for bars from $\frac{1}{4}$ " dia to $1\frac{1}{4}$ " dia

All Messrs The Tata Iron & Steel Co, Ltd offer us is $\frac{1}{4}$ " rounds and above of ordinary mild steel and B class steel, $\frac{1}{4}$ " rounds are not offered at all and no lengths are stated

The belated reply is most unsatisfactory, whereas a cable to England would have resulted in an immediate quotation giving the details asked for

If Messrs The Tata Iron & Steel Co, Ltd, cannot produce $\frac{1}{4}$ " rounds, why should any protection be given to this size or bar and if steel to a normal specification cannot be supplied we submit that merchants should be allowed to import such steel at the old tariff rate

We submit that all steel not manufactured by Messrs The Tata Iron & Steel Co, Ltd, but required for reinforced concrete work, etc, should be assessed in accordance with the old scale, as no protection on such steel can be either required or warranted until such time as India is capable of producing it

Enclosure No I

Copy of a letter from The Tata Iron & Steel Company, Ltd, Jamshedpur No S-17939, dated 3rd October 1924, to Messrs The Mawson-Vernon Co Ltd, Bombay

With reference to your enquiry No 1180-10 of the 18th ultimo addressed to our Bombay Office, we cannot undertake to supply $\frac{1}{4}$ " rounds of the specification required but can furnish $\frac{1}{4}$ " rounds and above of ordinary mild steel at the price of Rs 150 and "B" class steel which we believe will be suitable for the specification which you mentioned @ Rs. 170 per ton for Tatanagar Please let us know the quantity required of each size

Enclosure No II

Copy of a letter from The Mawson Vernon Company, Ltd, Bombay, No 1180-10, dated 18th September 1924, to Messrs The Tata Iron & Steel Co Ltd, Bombay

We shall be obliged if you will please quote us your lowest prices for round mild steel rods for reinforced concrete work to the following specification —

"The steel to have an ultimate tensile strength of not less than 60,000 lbs per sq inch

The elastic limit must not be less than 50 nor more than 60 per cent of the ultimate strength

The elongation must not be less than 22 per cent in a length of 8 inches, or for round bars a gauge length of eight diameters

A bar of the steel to be used should bend when cold 180 degrees flat upon itself without fracture of the outer fibres

Please quote for bars $\frac{1}{4}$ " to $1\frac{1}{4}$ ", stating the lengths you offer

An early reply will oblige

INDIAN ENGINEERING ASSOCIATION, CALCUTTA.

WRITTEN

Representation dated the 22nd October 1924

The Committee of the Indian Engineering Association have observed in the public press your communicate dated 14th October 1924 on the subject of the application of the Tata Iron and Steel Co., Ltd., for the imposition of additional, or off setting, duties on certain kinds of steel under the Steel Industry (Protection) Act, 1924

2 In response to the request of the Board for the expression of opinions on this proposal I am to state the views held by the Indian Engineering Association with reference to it. The members of the Association have always been, and still are, opposed to the levy of protective duties on imported steel. They were in opposition to the scheme of protective duties when it was originally brought forward, and they are now opposed to any increase being made in the duties. But at the same time they have always taken the view that the industrial development of India would be set back by a quarter of a century if the Tata Iron and Steel Co., Ltd., should be unable to continue to manufacture steel. It was only because they were convinced of the absolute necessity of maintaining the Company's works as a going concern that the members accepted the finding of the Tariff Board that protective duties were unavoidable. And their position as regards the present proposal is the same. A higher tariff will be in their opinion unquestionably detrimental to the interests of the engineering industry, but the manufacture of steel in India must be continued.

3 The position of the Association being thus defined the Committee instruct me to point out how higher duties will adversely affect the industry. It may be accepted that most engineering firms have large outstanding contracts for imported material which is not obtainable from the Tata Iron and Steel Co., Ltd., within a reasonable time. Any increase in the duties will obviously fall upon the importing firms, as they are not protected in any way against it. On the other hand the rise in exchange does not in most cases affect such contracts, because it is usual to cover exchange at the time when the order is placed. It is absolutely necessary for the Tariff Board to make recommendations designed to protect the engineering industry in respect of these losses.

4 When previously submitting evidence to the Board the Committee made it clear that no purpose would be served by protecting Indian steel unless a market were provided for it. In other words, that nothing would be gained by taxing the importation of raw steel, and permitting the unrestricted admission of manufactured articles. This principle was accepted by the Board when they recommended the imposition of duties on fabricated steel. It will need to be similarly observed in respect of the present proposal. The local engineering firms will be unable to obtain orders for the manufacture of articles from Indian steel unless the manufactured article is protected to the same extent as the raw material is protected. The principal manufactured articles which the Committee have in mind, and on which an increased duty will have to be levied if the duties on raw steel are increased are the following—(a) Railway wagons and underframes, (b) Structural steel, bridge work, etc., (c) Permanent way material, (d) Fabricated material for ships, (e) Dogspikes, bolts, nuts and rivets.



Witness No. 9.

Messrs. GEO SERVICE AND COMPANY.

A.—WITNESSES

Letter dated 16th October 1924.

(1) We are duly in receipt of your No 1030 of the 14th instant for which we thank you. We shall be pleased to assist your Board in this enquiry which is being made as to the necessity of imposing further duties on certain classes of steel and as desired furnish information on the points raised.

A Approximate C.I.F.C Sterling Rates for —

Month	Bars		Angles Beams Tees		Plates	
	British	Continental	British	Continental	British	Continental
	£ s d	£ s d	£ s d	£ s d	£ s d	£ s d
April	10 10 0	9 10 0	9 17 6	8 7 6	10 13 6	9 5 0
May	10 7 6	8 5 0	9 15 0	8 0 0	10 11 0	8 17 6
June	10 7 6	7 15 0	9 15 0	7 14 0	10 11 0	8 12 0
July	10 5 0	7 7 6	9 12 6	7 7 6	10 12 0	8 12 0
August	10 5 0	7 7 6	9 12 6	7 5 0	10 12 0	8 12 0
September	10 2 0	6 17 6	9 10 0	6 17 6	10 10 0	8 5 0

Per ton C.I.F.C Bombay

The prices quoted above both for Continental and British material are for *basis* sizes, the usual section extras would be added.

We regret we are unable to furnish prices for light rails (under 30 lbs.)

B It is difficult to state in the form of a percentage what proportion of our merchant business in steel is British material. British, Tata and Continental Makes are all stocked and sales depend entirely on a buyer's requirements.

C We do not consider stocks of steel in India to be unusually large, but they are perhaps slightly heavier than is usual at this time of the year. This can be partially attributed to slack trade but may also be due to competition with the Tata Iron and Steel Company in the northern parts of India. Prior to the imposition of higher duties on steel a very large business was done with the Punjab, N.W.F. Province, etc., both from Bombay and Karachi. We however now find Tata steel from Jamshedpur is being sold in these Districts at competitive rates and business has certainly been restricted. This would, if general, no doubt lead to accumulation of stocks.

D Freight Rates—As far as we know the freight rates both from Home and Continental Ports have not changed since last year. On steel sectional material they are as under—

British 22/6 per ton

Continental 15 per ton

(2) We shall be pleased to avail ourselves of the opportunity of again giving evidence before your Board and would ask you to let us know a date that will be convenient.

We feel we must strongly protest against any further increase in Import Duty until sufficient time has elapsed to prove that the present enhanced rates were fixed at too low a figure. The principal reason for this enquiry would appear to be the recent rise in exchange, but if the fluctuations of this over the past 3 years be considered, there is little reason for assuming that it is likely to become stabilised at a figure of 1/6d. If the Import Duty on steel is to increase or decrease with exchange movements, a merchant business such as we carry on will be demoralized. This constant uncertainty is making business very much of a gamble not only on the question of stock valuation but also on forward Contracts which have been entered into. Unless the strongest possible reasons have been shown, we do not think this matter should be reopened until time has proved the conclusions reached after the exhaustive enquiry which was conducted in the autumn of 1923 should be set aside.

Messrs GEO SERVICE AND COMPANY, LIMITED.

B—ORVI

Oral evidence of Mr G. A. Hayward, representing Messrs George Service and Company, recorded in Bombay on 21st October 1924

President—I think at the outset to day it will be convenient if I make one or two general remarks—it has some application to your letter, but really it has more application to letters we have received from other importing and engineering firms—in order to make clear the scope of the enquiry with which we have been entrusted. Last year in our Report to the Government of India about steel the Board recommended the imposition of certain duties on various classes of steel. These duties were proposed at amounts which we thought were just sufficient to give the protection required, if prices remained at the level at which they were in the latter part of 1923. We also definitely recommended that, if prices dropped for any cause whatever additional or offsetting duties should be imposed besides the original duties provided for in the Act. The reason why we made that recommendation was that the necessity for some safeguard was clear, if the protection given was to be adequate. The object which the Board had in view was to tax the consumer as little as possible. Therefore in the first instance the duties were fixed at what was just sufficient. If circumstances altered and the protection was found inadequate, then we recommended that these additional duties should be imposed. The alternative plans would have been to put the original duties at a much higher figure, giving an ample margin for fluctuations. In that case if prices had risen the protection would have been excessive, and if prices had risen heavily the protection given would have been grossly excessive. This plan fixing the original duties at a figure which was just sufficient, and giving power to impose offsetting duties was approved by Government and adopted by the Legislature. What the Board have now been asked to do is to advise the Government of India what steps if any should be taken to give effect to the intentions of the law. They have not been asked to advise whether a different plan should be adopted, or whether there are other ways by which the situation might be met. The scope of our enquiry therefore is somewhat narrowly limited, because the Board cannot consider the objections to the whole system of offsetting duties. They are bound to presume that the power to increase the duties was given with the intention that it should be used when circumstances justified it. It is impossible therefore for the Board to enter into a discussion of theories that imply that the power should not exist or should not be used, or should only be used very rarely. What I have said just now applies really a great deal more to letters received from some other firms than to your letter. I have consulted my colleagues, and we wish to make it clear that we have not been entrusted with an enquiry covering the whole ground we covered last year, but merely to ascertain whether circumstances have risen which justify the exercise of this particular power which the Legislature has given to the Government of India. I may turn now to your letter. We are much indebted to you for giving us a great deal of useful information. You have given us the prices up to September.

Mr Hayward—I have put these prices in the form of a graph*. The red top line shows the fluctuation in British prices and the bottom line the Continental fluctuations. The graph applies to beams but it is fairly indicative in respect of other sections. We take beams as being typical. Every movement in this graph can be explained by changes in exchange, political crises or other reasons.

President—It would be very useful if we could keep it.

Mr Hayward—Yes. It was prepared in connection with the first paragraph of our letter.

President—Since you sent in these prices has there been any change in prices?

Mr Hayward—I received a cablegram just now which may be useful to the Board. These prices are for round bars. I had sent an enquiry to Tatas. They said that they had no stock of the rounds required but could roll them within 14 days after receipt of reply. The price for British rounds is £10 9 6 a ton, c i f c, Bombay, shipment to be in three to four weeks.

President—That shows a rise in price.

Mr Hayward—That is this morning's enquiry. For British beams we have placed business at lower figures than that. If you go into the market to buy it is usual to get

a reduced price. You can quite understand that. These are the market prices with a definite order to place you may possibly get at 5% per ton lower. These are the prices on which we have to base our estimates.

President—We had some letters saying that bars were being offered for £6-5-0

Mr. Hayward—I have a letter from Messrs Richardson and Cruddas. They quote £6-10-0 for Continental material.*

Mr. Matheson—Yes, in their letter of the 16th they say that.

Mr. Hayward—That is what they quote for business actually placed, but I do not think that is a fair market price.

President—You do not think it is quite as low as that price?

Mr. Hayward—I won't go so low as £6-10-0.

President—We want to be sure whether we are comparing similar things. In these old prices is there anything else included except the f.o.b. price and the freight?

Mr. Hayward—Of course, there is insurance, and also the commission of our London office. There is no interest included, and we always pay against shipping documents in London.

President—These freight rates that you quote in your letter, do they include insurance?

Mr. Hayward—No. But speaking from memory Mr. Beith quoted 25s and 17s f.i. and the freights I quote are 22s. 6d. and 15s. I do not think there is any fall in freight since November last.

Mr. Matheson—This of course is gross freight without rebates?

Mr. Hayward—Yes, without rebates.

President—What is the difference between the system of British freights and Continental freights? I know that the rebate system applies to British freights but I believed that there was no rebate of the Continental freights.

Mr. Hayward—I think there is a rebate. It is a very small item any way.

President—What would be the landing charges approximately to be added to this c.i.f. price?

Mr. Hayward—That of course has not varied since last year.

President—I know it is on record but I wished to get your figure.

Mr. Hayward—We quoted Rs. 7 to 7-8 per ton, but Mr. Ginn's said that Rs. 5 to 5-5-0 was the Calcutta figure. I do not think there is any variation since last year on that.

President—The present prices of British steel are not very different from the prices in the latter half of 1923.

Mr. Hayward—No.

President—Judging from the quotations in the "Iron and Coal Trades Review" there is apparently some reduction in the price of British beams.

Mr. Hayward—We receive from our London office every week these reports. You will see their remarks at the bottom there.

President—These are the remarks (dated 7th August 1924)

"There is a little change to report in the position of the market. The seasonal slackness is still with us, our prices are steady in the hope that early autumn will bring an improved demand which we think quite probable, should there be no political thunderbolts."

Mr. Hayward—This is last week's (dated 25th September 1924) and you will see slight differences in price. See also the remarks there.

President—I don't think British works are not fully employed at present and it is also noted that there is a falling off in the demand for Continental material, and makers are offering lower prices than they were a short time ago."

Mr. Hayward—That is the statement we receive week by week from our London office and on these prices we base our estimates.

President—But Continental prices are rather decidedly lower than in the latter part of 1923.

Mr. Hayward—Yes.

President—The statement showing how the gulf is steadily widened is particularly interesting. It is not by any means £2-5-0.

* Continued £2-10-0 during conference

Mr Haywood—Yes

President—One question I wanted to ask was "Was the gulf ever so wide before?" but the graph answers the question

Mr Haywood—Yes. You see what the Home works say, they cannot compete and many works are partially closed

President—If such a wide difference between the two prices continues, must it not revolutionise the whole course of business in steel?

Mr Haywood—Do you think it is likely to continue?

President—That is what I am asking you

Mr Haywood—We ourselves think that it is only temporary. For the past few months the market has been continually fluctuating

President—Most of the big fluctuations are closely connected with the course of political events. That makes the whole thing difficult

Mr Haywood—It is not for us to say

President—There is also the possibility that the Continent may get through most of its turmoils for the time being and things may settle down. We have got to consider what the course of steel prices is going to be

Mr Haywood—If the Continent settles down, exchange will probably improve

President—Do you mean the Belgian exchange?

Mr Haywood—Yes. We get nothing from Germany at all

President—If the French exchange moves in one direction, the Belgian exchange moves simultaneously in the same direction. The future of the French exchange depends on how the French budget is going to be balanced, and that makes it extraordinarily difficult for anybody to prophesy

Mr Haywood—That happens to be the case. There is a possibility that with the present depreciated exchange workmen will eventually get higher wages. I know last year Belgian workmen were granted an increase of 25 per cent, but I believe that has now been taken off

President—Supposing the exchanges remained much as they are at present, do you think that the wages in Belgium have already adapted themselves to that scale relatively to the rest of the world, or is it likely that there will be a demand for a further increase?

Mr Haywood—I can't say. It is possible they might. Take the French civil servants, they are trying to get more, I understand their demand is at present placing the French Government in an embarrassing position

President—Another way to look at it is that there is a steady drop in Continental prices which has not yet been arrested. Is it going any further? There has not been much fluctuation in the Belgian exchange during the last six months. It has been somewhere near 90 which is near the average rate in the latter part of 1923, so that factor has had little to do with pure exchanges. Can this fall in the Belgian price go on? Are you prepared to give an opinion about that?

Mr Haywood—Our London office has written as regards Continental works, they are coming into the market and taking considerable orders at keen rates. They then raise their prices sometimes as much as 10 per ton over the general market price and remain out of the market until a further tonnage is required to keep their works running

President—The whole question is how many firms there are going to be who would be prepared to take these orders. Have they got somewhere near the bottom, or are there further depths to which the price must fall?

Mr Haywood—We cannot say that

President—We asked you one question which you were not able to answer fully, and that is as to the proportion of the merchant business in British material. The reason why we asked this is that the Trade Returns show that the imports of British bars are relatively very small, and the declared values of steel, as given in the Trade Returns, suggest that the British imports include a considerable proportion of bars of special qualities

Mr Haywood—Possibly that is the case

President—And for that reason we wanted to ascertain whether, in the merchant business in the kinds of steel we are concerned with, British steel was smaller as compared with Continental steel

Mr Hayward—It is difficult to say anything about a thing like that. What one firm does may not be the policy of another, one may only stock British steel while another may deal exclusively in Continental.

President—Could you tell us whether during the last six months there has been any tendency for the Continental steel to take a larger share of the trade owing to this difference in price?

Mr Hayward—Most of the bars that come out for the bazar are Continental, but in the case of reinforced concrete structures British bars are usually asked for, e.g., the Bombay Improvement Trust insists on having British or Tata's material for their reinforced concrete works. Bars usually sold in the bazar are not required for that purpose. Most of the business we do in bars is British or Tata.

President—Who would usually be your customers?

Mr Hayward—Public bodies like the Development Department. They insist on having British standard for concrete work.

President—You do not do generally much of the general bazar business?

Mr Hayward—Not in bars, but as far as beams are concerned, we sell both British, Tata and also Continental.

President—Both are taken in the bazar?

Mr Hayward—It depends very largely on the engineer concerned. Some of them insist on our supplying British standard.

President—Then you say that you do not consider the stocks of steel in India to be large, but they are perhaps slightly heavier than is usual at this time of the year. The reason why I put that question is that the importations shown in the Trade Returns do suggest that there are very large stocks.

Mr Hayward—I don't think that is the case. We find trade is slow.

President—Look at the figures in the Trade Returns. The importation of Continental bars has gone up by something like 50 per cent.

Mr Hayward—Is that over the whole of the financial year?

President—For the opening months of the year.

Mr Hayward—I don't think so much is coming to Bombay.

President—The total importation of bars for five months have been—

1922	83,000 tons
1923	52,000 „
1924	93,000 „

Mr Hayward—Have they altered the classification in any way?

President—I don't think so. If there has been any alteration it will be the omission of channels which used to be classed as bars, but are no longer so classed. At any rate there has been no change which would tend to increase the figures.

Mr Hayward—As far as Bombay is concerned, it would appear less has been imported since the duty came in force.

President—Here are the quantities of angles

8,000 in 1922
9,600 in 1923
16,700 in 1924

Mr Hayward—Possibly Government have been importing larger quantities.

President—I don't think so. Then in beams, channels and girders there has been increase there also, 27,000 to 38,000 tons, but that is more difficult, because fabricated and unfabricated steel are lumped together in one item. These figures certainly do suggest that one would expect to find a considerable accumulation of stocks. But you do not think that there has been heavy importation into Bombay?

Mr Hayward—As far as our knowledge goes.

President—There has been no increase in the imports from Great Britain?

Mr Hayward—No.

President—So that you have nothing to tell us about that?

Mr Hayward—No.

President—Whatever accumulation there may be has not affected your business?

Mr Hayward—Quite so.

President—That point of the accumulated stocks is very important in connection with our recommendation. Supposing an additional duty of Rs 20 is put on, how long would it be after the imposition of the duty before the internal prices began to go up?

Mr Haywood—We found on the previous occasion prices went up before the duty came into force some 8 annas a cwt and they remained at that for about six weeks, but since then they have of course been weakening.

President—The point is that the price might go up at the time the duty was put on, but subsequently it might drop again if there were heavy stocks. That is the reason why we are anxious to clear up the point. But as far as you are concerned, you are not aware of the existence of large stocks?

Mr Haywood—Not as far as beams are concerned.

President—You say there might be large accumulations owing to competition with the Tata Iron and Steel Company in the northern parts of India.

Mr Haywood—Yes. I think it is increasing.

President—No doubt they are producing more steel and are therefore trying to find a new market.

Mr Haywood—They are endeavouring to compete with the retail trade, there is no question about that.

President—That is inevitable, is it not, as their production goes up?

Mr Haywood—Quite true.

President—One question I wanted to ask was to what cause do you ascribe these heavy importations of bars and angles?

Mr Haywood—It is possible that large quantities of material were ordered in anticipation of an increased duty.

President—I think that happened. Does not that rather support the idea that there are accumulations of Continental steel at any rate?

Mr Haywood—It does.

President—Because, if the steel got in before the duty came on, then the importers at once began to make some profit, and that would put them in funds to enable them to hold on. But if they had to pay the new duties, then they are likely to get into financial difficulties.

Mr Haywood—That is the position of the bazar.

President—Do you do any merchant business in plates?

Mr Haywood—We stock plates below a quarter inch only. There is a very small demand, chiefly from the railways.

President—Would that be British standard?

Mr Haywood—No, ordinary Continental plates.

President—Mr Sawday, giving evidence on behalf of the Tata Iron and Steel Company, said that his belief was that the bulk of the Continental plates were below 3/16 inch.

Mr Haywood—Quarter inch and below we should say.

President—It is quite a small proportion of your business and goes mostly to railways?

Mr Haywood—Yes.

President—What sort of purpose are they used for?

Mr Haywood—For constructional work.

President—On the general question of your objections to the imposition of an additional duty, your view is that it is premature, and that the industry ought to wait for a longer time?

Mr Haywood—Yes.

President—The answer to that depends on the point we were going into earlier. Is there any reason for believing that the exchange will go below 1s 6d? Is it likely?

Mr Haywood—We make no attempt to speculate in exchange. Steel is our business. Exchange is not.

President—The general impression one gets is that there is great pressure for currency, and that considerable sums of money will be required to finance the jute and cotton crop. This must tend to keep the exchange up and so far as the outsider can judge, there is no particular reason to think that the exchange is likely to go down.

Mr Hayward—Government may have something to say on that

President—Then again there is another factor which has affected the price of steel for the last six months and that is the enormous fall in the Continental prices. Is it not possible that the present low prices may continue for another six months?

Mr Hayward—It is quite possible

President—I am quite willing to believe that the price has now reached a level in which the Continental manufacturer is making little or no profit, but there is no apparent sign yet of a recovery

Mr Hayward—It is true

President—Is it possible, then, for the Board to take any other view except that the low prices and the high exchange are likely to continue for the next five or six months

Mr Hayward—If the duty is going to be altered every few months it is very awkward for business

President—That is the difficulty, and I have got some questions to ask about it, although we cannot go fully into that for the reasons I have explained at the beginning. The Act contemplates additional duties when there is a substantial drop in the price,—there has been a continuous fall lasting for six months,—and if the power is not going to be exercised in such circumstances, what is the good of having the provision in the Statute Book?

Mr Hayward—When the Act was passed, did you anticipate that the matter would be reopened in the course of six months?

Mr Ginnala—Yes

Mr Hayward—Do you mean to say that the Members of the Assembly anticipated that?

President—If the circumstances suggested in the Tariff Board's Report, as justifying additional duties, have arisen, a policy of "wait and see" is useless. There is another aspect of the question to which I would like to draw your attention to, namely, the protection given was sanctioned by Government only for three years, of which more than six months have already elapsed, and one or two more may pass before the new duties are actually imposed. After three years there will be another enquiry and the whole question of costs will then have to be examined. I quite admit that frequent changes in duty are in themselves undesirable

Mr Hayward—They are demoralising, I think.

President—But it seems to me that the Board cannot take the view that nothing ought to be done because sufficient time has not elapsed. The whole point of the offsetting duty is that something unforeseen may happen and there must be power to deal with the unforeseen. Of course I quite understand what your view is. I also understand the reasons underlying it. Let us neglect for the moment the Continental exchange and take the rupee exchange. Supposing the Government of India decided that if the exchange varied by an amount which would result in a drop in prices of about Rs 4, the duties should at once be raised by that amount. Do you think such a system would lead to more speculation, or to less?

Mr Hayward—It is very difficult to say

President—It would certainly at any rate increase the danger of not getting your stuff in time

Mr Hayward—The rate of exchange ruling when the material actually arrives in Bombay has nothing to do with the exchange at which we pay for the goods. The exchange may have gone a penny either way. It is a frequent practice to cover exchange when an order is placed and I believe the bazaar do this if exchange appears to be favourable

President—In that way it will be very difficult for you

Mr Hayward—Particularly so in our case. Our money is remitted before shipping documents arrive

President—Your reply is that it will make it more difficult

Mr Hayward—From our point of view, it would undoubtedly be more difficult. There are many firms in India doing the same

President—I was anxious to find out what your views were

Mr Hayward—The man who imports through an indenting house will probably pay to a Bombay bank on their presenting the shipping documents

President—What I was going to say was this As regards your own sales in India I take it that it might be possible to have a clause in your contracts by which the price was fixed "subject to any additional duty that is imposed before delivery is taken"

Mr Hayward—It might be possible, but it is very doubtful whether that will be accepted

President—Sooner or later may it not have to be accepted?

Mr Hayward—The average buyer wants a firm price He wants to know his liability.

President—If the rates of duty are changed fairly often, importing firms will have to insure against the risk in the price

Mr Hayward—That is going to restrict business as well The price has got to be increased because of the fear of imposition of the duty

President—At the same time as regards your purchases in Europe you clearly could not buy subject to the imposition of duty They would say 'take it or leave it'

Mr Hayward—Yes They would not accept it

President—There is one other aspect In so far as the fall in the price of steel in India is due to the rise in the exchange, it is common to both the British and Continental materials But in so far as it is due to a fall in the sterling price, it is only Continental material that is affected. That inevitably suggests the difficulty that, if the rate of duty remains uniform, British steel will be taxed unnecessarily and therefore the question of differentiating the rates of duty arises

Mr Hayward—There is the tendency of course that if the difference in price between British and Continental is excessive, Continental will be used in preference to British. The Indian Stores Department are going in for Continental

President—If the thing could be done what is required is a higher duty on Continental steel than on British If the state of things, which prevents the protection given from being adequate, arises from the wide difference between British and Continental prices, the natural remedy is to narrow that difference

Mr Hayward—Government can differentiate on 'Tatas' material I do not think differentiation between British and Continental is feasible In the first place British standard is also made in the Continent

President—Have you ever actually imported it from the Continent?

Mr Hayward—Yes We have imported round bars

President—Do the Continental manufacturers charge a higher price?

Mr Hayward—It depends very largely on the state of the trade. If business was good, they would not be anxious to roll British standard I do not suppose they charge more than 10 to 15s a ton extra for British standard They are not the recent figures but they are fairly correct

President—Then any attempt to differentiate between steel guaranteed British standard and steel which is not, would be ineffective?

Mr Hayward—It would be difficult to work a thing like that

President—It would undoubtedly be difficult My immediate point is this Even if the difficulty about inspection and so on is overcome, it would not do more than very little to bridge the gulf between British and Continental price

Mr Hayward—Yes

President—There is another suggestion that has been made, namely, that the additional duty might be imposed on steel entering India below a certain price

Mr Hayward—That will lead to abuses as well There is nothing to prevent you from sending fictitious invoices

Mr. Ginnala—I want to put some general questions, and if possible want to put you in a comfortable frame of mind One of your objections is that constant changes of duties would lead to uncertainties

Mr Hayward—Certainly

Mr Ginnala—I wanted you to understand what the Legislature has done Its aim is to ensure more certainty It is on that principle that the Legislature fixed the duties In our report we stated that the steel industry was to get an all round price of Rs 180 a ton.

Mr Hayward—Yes.

Mr Ginnala.—We stated that foreign steel was coming at a particular price and we recommended that the duty should be the difference between the two prices. The Legislature accepted that proposal, and therefore it decided that steel was to be put down in this country at Rs 180 a ton. Is it not a better system than a system under which you do not know what the steel is going to cost the country? The aim is that the steel industry is to get Rs 180 a ton if it is to live, and the Legislature decided that means should be devised so that price is ensured. Is it not really in the interests of the trade also that it should know at what price steel is going to be sold in this country? Mind that, apart from variations in exchange and freights which may affect the price of steel, you are assured that you can get it at Rs 180.

Mr Haycard—I do not think it possible.

Mr Ginnala—If the steel industry is to live in this country it must get Rs 180. Therefore anyone who wants to buy steel is to get it at Rs 180.

Mr Haycard—You cannot have a flat rate all over the country.

Mr Ginnala—If our Legislature was more perfect and human conditions were more perfect, you could say that steel should not land at less than Rs 180. If steel is to be sold at Rs 180, is it not better that as far as possible that price should be maintained?

Mr Haycard—India's requirements cannot be manufactured completely in India.

Mr Ginnala—We have not dealt with the kinds of steel that are not manufactured in India.

Mr Haycard—Even in the case of bars Tatas have not altered their policy of going into competition with Continental bars.

Mr Ginnala—It is not their policy, but if they come into competition what can they do? But the point is that the Legislature has decided that they should get Rs 180. You are as much a party to that legislation as anybody else. The question then arises, is it unfair that steps should be taken to stabilise the prices in the neighbourhood of Rs 180?

Mr Haycard—There are many factors which have to be taken into consideration.

Mr Ginnala—But they have been taken into consideration and the Legislature have decided that there is nothing in these factors. That is the narrow issue before us. All these points were considered fully by us, by the Legislature and by the Government of India, and it was decided that Rs 180 was the price of the kind of steel that is manufactured in this country. My point is, if the Legislature and the Government of India take steps to ensure that, how are you worse off? It is because they are not able to enforce that price that you are better off. It may be due to exchange and other factors, but you cannot urge that as a reason.

Mr Haycard—I don't think you can make a flat rate of Rs 180 for steel.

Mr Ginnala—But that is what they intended to do.

Mr Haycard—Quite apart from that, it is impossible to make a flat rate of Rs 180 for steel. In the case of Tatas they quote more than Rs 180 for many sections.

President—That Rs 180 is an average. What the Legislature is aiming at is a certain level of prices, the effect of which would be that the average price of Tatas' steel would be Rs 180 a ton. It may be that beams will be sold at Rs 170 or Rs 175 and bars at Rs 185 and so on, so that it would not be a flat rate for every kind of steel. But can you visualize a general level of prices for steel?

Mr Haycard—I can't visualize it I am afraid.

Mr Ginnala—That is what the Legislature is aiming at.

Mr Haycard—But you have got to consider that the steel has to be imported into India.

Mr Ginnala—That was considered before. There is no variation at the other end. Rs 180 remains the same. Now having got this one end at which the price is Rs 180, the other end has got to be brought into line with that. If the other scale goes up you have got to bring it down. The idea is that the price which the industry ought to get must be near that figure. Supposing the Legislature is able to secure that object, how are you worse off?

Mr Haycard—I personally do not see how it is feasible to make a flat rate for steel.

Mr Ginnala—It is an average rate.

Mr Haycard—How is it possible to make an average rate? We make business in beams, what price can you give us for beams?

Mr Ginnala—It is there. We took beams at Rs 175. How is it a grievance on your part? At the time we made our recommendation beams came at, say, Rs 140, but since then they came down to, say, Rs 120. If the Legislature had power, it would have made you pay the difference before you could put it in your pocket! We are dealing with a very narrow issue at present.

Mr Hayward—It is a very broad issue.

Mr Ginnala—No it is not. We have got to make proposals now which would enable the Legislature to secure its purpose. That purpose was that the industry should get this average price of Rs 180, in the case of heavy structurals Rs 175, and for rails and so on various other prices that were fixed.

Mr Hayward—In doing that you intended to compete with Continental material, didn't you?

Mr Ginnala—It is not a question of competing with Continental material. The industry in the country has got to get a market for its production, and it does not matter a scrap whether it competes with the Continent, or Great Britain or the United States of America. That is the point.

Mr Hayward—You want the industry to get Rs 180 for its steel, but then the obvious way is to give a bounty.

Mr Ginnala—If the Legislature had given Government the power to give bounties, which it has not, the argument would have been all right. The idea was that there should not be any further legislation. If it is proved that the Act has broken down, it is for you to go to the Legislature.

Mr Hayward—If you are going to demand a duty of Rs 80 a ton on Continental beams, it is drastic.

Mr Ginnala—There is nothing drastic in it if you are to pay them Rs 180 which the Legislature intended you should pay.

Mr Hayward—But they are not competing with Continental steel. You say that in your Report. You say that the Indian producer can only hope to command a part of the market and then go on to say "In these circumstances we took as our estimate of the price of imported bars a figure distinctly above the lowest prices at which Continental bars are likely to come in but also below the full price of Standard English bars, and so restrict the market for the Indian product. In that case it would be necessary to adopt a lower price than Rs 140 a ton as the price at which bars were likely to be imported into India without duty. But we do not consider it necessary to provide for a contingency that has not yet arisen and for this reason we have adhered to Rs 140 as the basic price of imported bars for our purposes."

Mr Ginnala—But read the last sentence.

Mr Hayward—"So long as the annual output is less than 50,000 tons, it is not necessary that the Indian product should compete successfully with Continental bars in every Indian market or in all circumstances." That is our whole contention. That is what we are fighting against.

Mr Ginnala—The proposition there was that at that time they were competing chiefly against British manufacture. Therefore it was not necessary for us to attach such importance as we might have done to the Continental steel. Now if we are satisfied that the British material is practically dead, so to speak, and the indigenous industry cannot get a market without competing against the Continental material then—?

Mr Hayward—But the position is that Tatas cannot supply even small orders. We wanted a small quantity of 3/8" and here is the telegram we received in reply "No stock of rounds but can roll them in 30 days if ordered immediately." Thirty days and another 12 days to come to Bombay, that is six weeks before we could get these round bars!

Mr Ginnala—But what about the Continental firms who cannot supply the material in time? When the Legislature decided that the industry should get protection, they took into account the fact that some import was necessary.

Mr Hayward—The Tata Iron & Steel Company said that it was not possible for them to compete with the Continent.

Mr Ginnala—We are not dealing with the Report. What the Legislature has given we have got to stick to, and the Legislature simply prescribes that, if for any reason the protection granted in that Act is inadequate, an additional duty should be imposed, so that all these are settled facts.

Mr Hayward—I am complaining now that Tatas do not offer facilities for supplying small quantities of material from stock. In fact they seem to have very much smaller stock of steel beams than we have.

Mr Ginwala —That is an argument against the original proposal to give them protection. The fact that they would not be able to supply the demand of the whole country was then considered. It is simply not before us just now. You cannot raise the question, nor can we refer to it or discuss it. They say this is the price the industry ought to get. If you think the Legislature has done something that you do not approve of, it is for you to get the Act altered.

Mr Hayward —You say you don't think the contingency has arisen?

President —As regards the contingency mentioned in that paragraph, that is a rise in the price, that has not yet arisen. The contingency that has arisen is the wide gulf between the Continental price and the British price which make people use more Continental than British.

Mr Hayward —It seems to me very extraordinary that Tatas cannot find an outlet for their products.

President —They can, but the question is at what price?

Mr Ginwala —Their stock now is more than what they ever had before, so far as we can see.

Mr Hayward —I have got here a stock list. I do not know if they had put it before the Board.

Mr Ginwala —This does not represent all the steel, does it?

President —This is what they have got —

Big Mill structurals	7,600 tons
Bar Mill bars	10,000 "
Bar Mill structurals	784 "
Plates	3,745 "

It comes to something like 22,000 tons

Mr Hayward —We have here Tata's rolling programme. They say "We beg to give below the provisional rolling programmes for our 16" Mill, 28" Mill and the Rail Mill which is subject to alteration without notice. As we are already booked up on all these mills, we regret we cannot take fresh orders for items mentioned therein for delivery from these rollings." This is right up to the end of March 1925 for the 28" and New Rail mills.

President —We examined Mr Sawday and I understood from the answer he gave that that was for the October rolling only.

Mr Hayward —The second part refers to the end of March 1925.

Mr Mather —The new Rail Mill?

Mr Hayward —And also the 28" Mill. The point is that you are throwing us entirely on Tatas.

Mr Ginwala —The point is, suppose Tatas are able to execute all your orders, they are expected to get the price of Rs 180. If you do not get from them what you want, you have got to import it, and pay Rs 180. Then why do you object to pay Rs 180 for Tata's material? If you are able to import at Rs 140 and pay Rs 40 extra you also pay Rs 180 for the imported material?

Mr Hayward —Our objection is that the price is too high.

Mr Ginwala —In one case you will be compelled to pay Rs 180, but because something has happened as a result of which the imported material has become cheaper, you are not prepared to pay Rs 180.

Mr Hayward —If Tatas want Rs 180 for Jamshedpur it is Rs 195 a ton in Bombay.

Mr Ginwala —Their price must remain the same at all ports.

President —Supposing the prices remained as they were at the end of 1923 with the duty that we put on, it does not follow that Tata's price would be the dominating price in Bombay, and certainly as regards bars in Bombay they would not compete at all. It would simply be regulated by the Continental price with Rs 40 duty.

Mr Hayward —In that case the price of bars in Bombay would be Rs 180 or 190.

Mr Ginwala —If Tatas are going to sell their steel in Bombay they must sell at an average price of Rs 180.

President —With a uniform rate of duty all over the country, Tatas will be able to realise a higher price in the markets near them than they can realise in Bombay. That is what I meant when I said that their price would not be the dominating price in Bombay. Supposing the price is Rs 180 in Bombay and Rs 180 in Calcutta, Tatas will get Rs 15 less for what they sell in Bombay.

Mr Hayward —Yes.

President—The consumers at both places are then getting the steel at the same price.

Mr Ginnala—You say "If the import duty on steel is to increase or decrease with exchange movements, a merchant business, such as we carry on, will be demoralized". Well, the cause of demoralization is always in the exchange, so that you can always say to your customers that if there are these variations they must pay

Mr Hayward—You know that an Indian will not give that. This constant uncertainty is simply a gamble in business. Some one will always be prepared to take the risk.

Mr Ginnala—Of course there is a chance that the exchange may within five or six weeks vary by a penny or two.

Mr Hayward—We cannot say that.

Mr Ginnala—But it is within those limits. Of course there is a certain time which elapses before action is taken, so that the risk is not really so great as you think.

Mr Hayward—There may be fluctuation in exchange meanwhile.

Mr Ginnala—No proposals will be made on these lines if it can make no appreciable difference. The difference of a farthing or anything like that you will have the benefit of.

Mr Hayward—Has any plan been worked out to give this price of Rs 180?

Mr Ginnala—We should do what we did before. When we made our Report and when the Legislature passed the Act the steel came, say, at Rs 140. Now we find that it comes say at Rs 100. When it came at Rs 140 we recommended Rs 40. Now as it comes at Rs 100 the duty will have to be Rs 80. It is clearly the intention of the Legislature. That is the position.

Mr Hayward—Suppose the exchange goes up further.

Mr Ginnala—It is a point we have got to consider whether any machinery could be devised to meet such a situation.

Mr Hayward—I do not think it is feasible to devise machinery to give a flat rate of Rs 180. I have no suggestion to make myself.

Mr Ginnala—We are always glad of suggestions and we are sorry you have not got any to make. You say then they ought to wait a little longer?

Mr Hayward—To give it a chance.

Mr Ginnala—They have waited for six months. There is one other thing that may be of interest to you. Our recommendation is for three years. You will find that during the first year we have left little or no margin for return on capital, so that every day that any action necessary is delayed they lose. That could not be the intention. To enable the industry to live no delay should take place in affording the protection necessary.

President—On these suggestions the Legislature acted, and it is a pretty serious matter if the danger comes again.

Mr Hayward—It is admitted.

President—If there is any margin on which they could wait, then your argument might be a sound one. You will find from the Report that, so far as the first year is concerned, there is no margin. Therefore delay would be inexpedient.

Mr Hayward—Yes.

Mr Ginnala—About these speculations that take place in the industry, would you be in favour of the Government of India, or some other authority having power to impose the duty at once before the necessary legislation takes place? You know the budget is introduced on the 1st of March, but they start collecting the proposed duty from 1st of March though the Legislature gives effect to it from 1st April, would it be in the interest of business if some such step is taken?

Mr Hayward—A great deal of speculation always takes place.

Mr Ginnala—Suppose the Government of India or the Board or any other authority has power, would it not be better in the interests of all to levy the duty at once?

Mr Hayward—The Board is deliberating now and will come to a conclusion on it.

President—Supposing the Government of India were satisfied on the application of Tatas that some off setting duty was required, but it was not satisfied finally as to the exact amount needed, should they put on a provisional duty pending enquiry by the Tariff Board? Supposing the Board finally reported that no duty was required, it is conceivable that the provisional duty might have to be refunded.

Mr Hayward—The trade would not appreciate it very much.

Mr Ginnala—It may save it against its own sins.

Mr Kale.—Do I understand you correctly when I say you do not object so much to the higher price that you have to pay for your steel as to the uncertainty of the price that you may have to pay on account of a change in the import duties ?

Mr Hayward.—We do not object to the higher price, but the people who buy naturally do so. Quite apart from that, what we object to is the uncertainty of the position. That is the essence of the whole objection.

Mr Kale.—Big firms like your firm and your clients would like to get their steel at a price as favourable as possible, but, having once accepted the position and the Legislature having legislated, your objection now is that there should be no frequent changes which would lead to fluctuations and difficulties like speculation. Is this your main objection ?

Mr. Hayward—Yes

Mr Kale.—With regard to the point that was just put to you, do you think that, if the Government exercised their power immediately to put on a certain duty pending such enquiry as they may order, there will be speculation in that case ? The public cannot know whether the Government will adhere to what it has done or alter the duty. Would that not create uncertainty in the public mind ?

Mr. Hayward.—There will always be uncertainty and there must be speculation even then.

Mr Kale.—Even in the case of ordinary taxes, for instance the salt duty, when the Government makes the duty operative from 1st of March, even then there is speculation. Would the same thing apply to steel ?

Mr. Hayward—That is the case.

Mr. Kale.—With regard to the differentiation between British standard specification and the Continental steel, supposing the differentiation was made on the ground of steel imported into the country being either Continental or British standard steel, do not you think that it will work ?

Mr Hayward.—It will be very difficult to work such a proposition as that.

Mr Kale.—You have just told us that, even on the Continent, steel may be manufactured up to British standard. Is a considerable quantity manufactured up to British standard ?

Mr Hayward—Yes. Whether it comes to India or not is quite another matter. I would not like to say that a large quantity comes to India.

Mr Kale.—My impression was that the quantity coming to India was negligible.

Mr. Hayward—They do manufacture a large quantity on the Continent.

Mr Kale.—Have you any direct information ?

Mr Hayward—No. But there is no reason why they should not manufacture steel up to British standard specifications.

Mr Kale.—It would not be difficult to distinguish between the two ?

Mr. Hayward—British standard is a definite specification, and a certificate should be produced with each consignment and that would be difficult to work.

Mr Kale.—Do you think that the Customs authorities will be able to distinguish ?

Mr Hayward.—You want a Government test house for that.

Mr Kale.—Then you must have some such authority at every port ?

Mr Hayward—Yes. It would be an expensive matter too.

Witness No. 10.

Messrs. BALMER LAWRIE & COMPANY, CALCUTTA.

WRITTEN

(Letter dated the 15th October 1924)

We are in receipt of a wire from you asking us to give some data regarding imports of Steel Sections

The approximate c & f prices in sterling from April to September are as follows —

		Bars	Joists	Plates	Angles	Tees
<i>April</i>	British	10/9	9/6	10/4½	9/6	10/6
	Continental	8/4½			8/4½	8/9
<i>May</i>	British			Rates unchanged		
	Continental	6/3½			8/1½	8/7½
<i>June</i>	British	10/9	9/4½	10/4½	9/4	10/4½
	Continental	7/4½			7/4½	7/9
<i>July</i>	British			Rates unchanged		
	Continental	7/0½			7/0½	7/4½
<i>August</i>	British	10/7½	9/3½	10/4½	9/3½	10/3½
	Continental	7/2			7/2	7/7½
<i>September</i>	British			Rates unchanged		
	Continental	6/11			6/11	7/4½

We understand that there is an accumulation of Continental material at the present moment owing to the action of speculators

We do not think there is a great demand for plates by consumers other than Engineering Firms, and we are of the opinion that the plates required are 3/16" and upwards

We trust that the above will be of some use to your goodselves

Witness No 11.

Messrs. ANANDJI HARIDAS AND COMPANY, CALCUTTA,

A —WRITTEN

*Statement I —Note submitted by Messrs Anandji Haridas and Company,
dated the 17th October 1924*

Herewith annexed are two statements—Statement "A" showing the movements of the sterling prices c & f of bars, angles, tees, joists, plates 1/8" and plates 3/16" and up from April to September 1924. Prices have been given in the statement both for British materials and Continental. As we do not deal in light rails under 30 lbs. and channels we are unable to give their prices. Statement "B" shows the c & f sterling prices of goods which arrived in Calcutta during the months April to September 1924.

Please note that the prices mentioned in the Statement "A" do not refer to immediate shipments of the materials but cover forward shipments. As an illustration we may mention that we purchased Continental bars in April 1924 at £8-5 0 per ton c & f Calcutta for June or July shipment. Goods of June or July shipment arrived in Calcutta in August or September.

The percentage of our business in British materials is insignificant compared with that of our business in Continental materials. It may be said without any fear of contradiction that business in imported iron and steel is mainly confined to Continental materials. It is only a few Government Departments and some Railways and big Engineering Firms who only make enquiries for British materials. The majority of other consumers are quite satisfied with Continental goods.

It may be remarked in passing that British Makers of joists have already started rolling lighter sections in order to be on the same footing with Continental makers who always roll light sections. British joists as well as Tata joists are extensively consumed in Calcutta as none but such joists are used in large buildings erected in Calcutta.

Present stocks—Monsoon months being the duller season for the iron and steel trade in India, there has been a large accumulation of stock which will not be quickly exhausted. The main causes of the large accumulation of stock in Calcutta are two. First, in this year the import of iron and steel into Calcutta has been much larger than it was in 1923. In the six months, April to September 1924, the quantity of some of the articles imported has been more than double. Just before the Indian Protection Act, 1924, came into effect, the imports were very large and since then the imports have been much heavier than in former years. The following figures clearly demonstrate the cause of the accumulation of stock at present —

	June	July	Aug
1923	Tons 7,756	3,352	9,736
1924	„ 15,216	15,847	13,470

The quantity of steel bars imported in Calcutta for the corresponding period —

	June	July	Aug
1923	Tons 3,603	1,665	4,608
1924	„ 4,797	7,219	5,945

Secondly, in anticipation of the increase in duty and the consequent rise of price in India imports were bigger than usual. At the same time those who held stocks before the increase of duty tried to sell as little as possible of the goods they held because they expected the price to go up. After the duty was raised the market here actually went up from Rs 7-8 to Rs 8 per cwt for bars. This temporary rise in the price led to still bigger accumulation of stocks. Then when the price began to fall it was found very difficult to get rid of the stock because it was about the duller period of the year for steel trade. Usually the demand for steel is at its lowest during the monsoon months and reappears about the time of Dewali. Large quantities of Continental Steel which had been ordered for January to April shipments had not been shipped in time. All these goods were also shipped in May, June and July when the demand from this country fell off and the Continental price began to drop.

Demand for plates by consumers other than Engineering Firms—There is always a very substantial demand for plates by consumers other than Engineering Firms. The consumption mainly consists in the making of pans for purposes of baking, frying and cooking and also very largely for making cauldrons for boiling sugar-cane juice into treacle. For these purposes plates 3/16" and principally 1/8" are extensively sold. Plates of a higher thickness are mostly consumed by Engineering Firms.

We also annex herewith our latest weekly price list.

STATEMENT "A"

Showing the sterling prices C I F from April to September 1924

Material		April.	May	June	July	August.	September.
		£ s d	£ s d	£ s d	£ s d	£ s d	£ s d
Bars	{ British	10 5 0	10 5 0	10 5 0	10 5 0	10 5 0	10 5 0
	{ Continental	8 5 0	7 12 6	7 10 0	7 5 0	7 0 0	6 17 0
Angles	{ British	10 0 0	9 15 0	9 15 0	9 15 0	9 15 0	9 15 0
	{ Continental	8 5 0	7 12 6	7 10 0	7 5 0	7 0 0	6 17 6
Trees	{ British	10 15 0	10 15 0	10 15 0	10 15 0	10 15 0	10 15 0
	{ Continental	9 0 0	8 10 0	8 2 6	7 15 0	7 10 0	7 5 0
Joists	{ British	9 15 0	9 15 0	9 15 0	9 15 0	9 15 0	9 15 0
	{ Continental	8 5 0	7 17 6	7 10 0	7 2 6	7 0 0	6 15 0
1" Plates	{ British	9 17 6	9 10 0	9 5 0	9 0 0	8 15 0	8 12 6
	{ Continental	8 17 6	8 15 0	8 10 0	8 7 6	8 5 0	7 17 6
Plates 3/16" and up							
	{ British						
	{ Continental						

STATEMENT "B."

Showing the sterling prices C I F of goods which arrived in Calcutta during the months April to September 1921

Continental materials

Materials	April	May	June	July	August.	September
	£ s d	£ s d	£ s d	£ s d	£ s d	£ s d
Bars and angles	9 0 0	8 10 0	8 0 0	8 5 0	7 10 0	7 12 6
	8 0 0	7 5 0	7 5 0	7 5 0	7 5 0	7 5 0
Tees	9 5 0	8 17 6	8 0 0	8 0 0	8 0 0	7 15 0
Joists	8 12 0	8 0 0	7 0 0	7 0 0	7 10 0	7 2 6
Plates 1/8"	9 5 0	9 0 0	9 15 0	9 15 0	8 15 0	9 0 0
Plates 3/16" and up .	8 15 0	8 15 0	8 15 0	9 0 0	8 5 0	8 5 0

Statement II—Letter from Mr Anandji Haridas, dated the 21st October 1924

I have the pleasure to send you herewith a statement of my views on the question of further enhancement on certain steel articles

Statement of Mr Anandji Haridas

The Tata Iron and Steel Company have applied for an increase of the duty on certain steel articles on the ground that owing to certain causes steel is entering India at a price cheaper than that on which the calculations of the Tariff Board were based when they made their recommendations to Government and consequently Tatas have got to sell their steel at a loss.

It is undoubtedly true that the price of steel in India is about Rs 10 to Rs 20 less than particularly for bars than what it was when the Steel Protection Bill was passed. It is absolutely indispensable for the Board to thoroughly investigate into the causes of the low prices of steel before they recommend to the Government imposition of additional duty on imported steel.

In my opinion the principal causes of the fall in the price of steel are two. First, there were heavy imports during the months of May, June and July of this year in comparison with those in the two preceding years. Secondly, the demand for steel during those months and also the succeeding months was poor. Ordinarily demand for steel during the monsoon months falls off to a large extent in India. This year was no exception. I give herewith a statement showing the fluctuations in the prices of bars, plates $\frac{1}{2}$ " and joists during the months of April to October for the years 1922 to 1924.

The rise in the rate of Rupee sterling exchange and the fall in the price of Continental steel have not had any effect as yet on the course of prices in India, but they may have some effect later on in checking the rise in prices if the demand continues dull. The increased duties which have come into force since 13th June last cannot be said really speaking to have had their full effect yet on the market. Before the new duty was imposed in June, the lowest cost price of imported steel bars was about Rs 125 to 130 per ton. After the duty was raised it went up by 25 rupees. For some time therefore after the increase of duty dealers in foreign steel could at the worst sell at about Rs. 135 to 140 per ton without much loss and the market price had actually come down to this figure. With the diminution however in the quantity of old stock the price would in the ordinary course of things have gone up to about Rs. 160 per ton. But the stock of bars instead of diminishing began to accumulate particularly in Bombay as there were large imports and a poor demand. As the Tata Works could on account of their proximity sell in competition with Continental steel to the buyers from the Calcutta market, the price and the stock in Calcutta were affected. Tatas are reported to have sold steel bars F O R Calcutta at the price ruling there for steel bars.

The aim of the Government in raising the duty must be to enable Tatas to sell their products at a profitable price without at the same time causing more than the minimum amount of loss and hardship to others. If the duty is raised immediately, it will simply cause further losses to merchants without any benefit to Tatas. Without a good demand the price will not go up and dealers in steel will suffer if the duty is enhanced without any corresponding benefit to Tatas. If, on the other hand the Board are convinced of absolute necessity of further protection for Indian steel and the duties enhanced, say after three months, importers will place new business with foreign exporters on the basis of additional duties if they are warned in time of the increases to be made.

If it had been possible to raise the price of steel in the country at once by enhancing the duty the price would have gone up or at least remained stationary based on the new duty during the months of June to September, even if the duty is raised immediately the goods which are in course of shipment or actually on the high seas will come into the country. The only difference which the enhancement of the duty will make will be this that those goods will have to be sold probably at as big a loss as goods which arrived in August and September because the advantage due to the rise in the rate of exchange will be offset by the additional duty.

On the other hand, if the duty is further raised, say after three months, the new duty imposed in June last will be given a fair trial during a portion of the season of good demand and higher prices for steel. At the same time sufficient time will have been allowed to watch the course of exchange. For the last few years the rate of exchange has been going up during the months of September to February and coming down again after February or March. It would not, therefore, in my opinion be proper to enhance

the duty now to offset what may only be a temporary fluctuation in the rate of exchange. The Board have in their Report stated that "A comparatively small decline in the price or a fall likely to be of a very short duration might not be a sufficient ground for taking action"

The decline in the price of Continental steel has been only about 10s from what it was in March and the rise in the rate of exchange also seems temporary

In para 47 of the Board's Report it is stated that "So long as the annual output of bars at Jamshedpur is less than 50,000 tons, it is not necessary that the Indian product should compete successfully with Continental bars in every Indian market or in all instances" In the face of the above remarks and with their production about 30 000 only the demand of the Tata Works to have a duty of Rs 80 per ton for bars seems instant If we take the price of bars at £6 15 0 and the rate of exchange at 1s 6d the price will amount about Rs 90 per ton If we add to this Rs 80 for duty, Rs 2-8 for landing charges, Rs 1 6 for interest, Rs 10 for cartage and handling charges, Rs 2-4 for shortage in weight and Rs 4 8 for profits, the selling price would amount to Rs 190 10 0 per ton With this cost price of Rs 190 10 0 for imported Continental steel bars Tatas could easily sell, with their advantage of Rs 20 to 30 per ton in freight their material in the up country markets at Rs 210 to Rs 220 per ton and their advantage with respect to British bars will be still greater

The goods which are in stock now were mostly purchased at prices varying from £7 5-0 to £8 and they have been paid for at the exchange of 1s 5½d to 1s 5¾d After their experience of the vagaries in 1920-1921 many merchants have been covering their requirements in exchange at about the same time or immediately after the purchase of goods Six months ago the rate of 1s 5½d to a rupee must have appeared very attractive to many merchants and not a few of them must have covered the requirements beforehand

If, however, the Board decide to grant a further increase in the duty, I would request them not to interfere with duty on rods, plates ½" and sheets 13 to 20 gauge

Frequent interference with the rate of duty creates a factor of great uncertainty in the trade and ultimately the consumer has to pay for this The Tariff Board should therefore recommend to the Government to amend the Steel Protection Act, so that whatever revenue is derived as a result of further enhancements in the rates of duty should be paid to Tatas by way of bounty so that in many cases an increase of duties by half the amount necessary to give protection or often even less will be sufficiently effective

To sum up (1) The fall in the price of Continental steel, particularly bars, is due to excessively big stocks and Tatas trying to undersell Continental steel in the Calcutta market

(2) Another cause contributing to the fall in price is the dullness of demand which is usual during the months of June to September

(3) If the Indian markets had been in a normally healthy condition, Tatas could with the present rates of duty have sold their material at about Rs 180 per ton.

(4) The fall of about 10 shillings in the price of Continental steel and the rise in the rate of exchange of about ½d. above that ruling in March seem to be temporary and have not had time to effect the Indian markets, and will probably have little effect if the demand is as big as usual

(5) While I am not opposed to the increase of duty if it be found necessary, I would recommend the Board to cause the minimum amount of loss and inconvenience to dealers and consumers

(6) Undue interference with the rates of duty is bound to cause dislocation in trade and the consumers will be the ultimate sufferers

ENCLOSURE I

Prices of Bars

	1922		1923		1924.	
	Rs a	to Rs. a	Rs a	to Rs a	Rs a	to Rs a
April	8 8	to 9 0	8 4	to 9 0	8 0	to 7 8
May	8 4	, 8 12	7 12	, 8 8	7 8	, 8 0
June	7 12	, 8 8	7 8	, 8 4	7 0	, 7 8
July	7 4	, 8 0	7 4	, 8 0	7 0	, 7 4
August	7 0	, 8 0	7 8	, 0 0	6 8	, 7 4
September	7 8	, 8 4	7 12	, 9 0	6 4	, 6 12
October	7 12	, 8 8	7 8	, 8 8	6 8	, 7 0

ENCLOSURE II.
Prices of Plates

	1922			1923			1924				
	Rs	a		Rs	a		Rs	a	Rs	a	
April	8	8	to	0	0	to	8	6	to	9	4
May	9	8	„	0	0	„	7	14	„	9	4
June	9	0	„	9	4	„	0	0	„	8	0
July	8	12	„	9	4	„	7	4	„	8	8
August	8	10	„	9	0	„	7	12	„	0	0
September	9	0	„	9	4	„	8	4	„	0	0
October	8	0	„	9	0	„	8	8	„	8	8

ENCLOSURE III
Prices of Joists

	1922			1923			1924							
	Rs	a		Rs	a		Rs	a		Rs	a			
April			to .	8	8	7 12	to	8	8	6 12	to	7	0	
May	8	0	„	8	8	8 10	„	8	4	7	0	„	7	4
June	8	0	„	8	8	8 0	„	0	0	6 12	„	7	4	
July	8	0	„	8	4	8 9	„	8	0	6 12	„	7	0	
August	7	12	„	8	4	8 0	„	7	8	5 12	„	6	8	
September	7	12	„	8	0	8 0	„	8	8	6	4	„	6	12
October	7	12	„	8	4	7 8	„	8	8	6	8	„	6	12

Messrs ANANDJI HARIDAS and Co

B—ORAL

Evidence of Mr Anandji Haridas, recorded at Bombay, on Wednesday,
the 22nd October 1924

President —We are much indebted to you, Mr Anandji, for having come once more to give us your help. I will take first your letter of the 17th October *. As regards plates, is there much merchant business in India, in the thinner plates between $\frac{1}{8}$ " and $\frac{3}{16}$ " in thickness?

Mr Anandji —There is business even up to $\frac{1}{2}$ "

President —Which would be the larger proportion?

Mr Anandji — $\frac{1}{8}$ " is the largest proportion

President —I am talking of the demand from the bazar, apart from the demand from engineering firms

Mr Anandji —Particularly $\frac{1}{8}$ "

President —I see that you have kindly given us not only the current price, month by month, but also the prices of the material arriving each month. It will be useful to us, and I am glad you have given both pieces of information. When the market is falling, the price of the goods arriving at any moment must be above the current quotation

Mr Anandji —One does not always buy month by month. Sometimes when we find that the price is favourable, we buy six months ahead. If I find the price cheap now, I will buy even for March or April next, and so you cannot always say that the price of goods coming is bound to be higher when the market falls. That would be the case if the prices were steadily falling. You might have the opposite effect when the prices were rising. Then it is the other way round.

President —Then the invoice prices of imported steel would be lower than the current quotation?

Mr Anandji —Yes

President —Then you say about present stocks "Monsoon months being the duller season for the iron and steel trade in India, there has been a large accumulation of stock which will not be quickly exhausted." Is this a time of the year when stocks are usually pretty large?

Mr Anandji —Yes

President —But apart from that, do you think stocks in Calcutta to-day are larger than they are usually at this time of the year?

Mr Anandji —I should think so

President —Much larger?

Mr Anandji —Yes

President —It is important that we should get your evidence on this point. You think that owing to heavy importation during the last few months these stocks of Continental material are a good deal bigger than usual?

Mr Anandji —Yes

President —And that it will take the market some time to absorb them?

Mr Anandji —Yes

President —Then you say "The following figures clearly demonstrate the cause of the accumulation of stock at present." You have not told us what materials you are giving the quantity of?

Mr Anandji —These are for bars. These were obtained from Mr R. D. Tata's statement before a meeting of shareholders. These are for all India.

President —Have you taken these from the Trade Returns?

Mr Anandji —Not exactly. I compile my own figures from the daily Import Lists. And I took them from Mr R. D. Tata's speech at the shareholders' meeting.

President —Whatever figures we give we should take from the Trade Returns, should we not?

Mr. Anandji—Yes. I am compiling these figures daily; there may be slight discrepancies with the Trade Returns.

President—Then you have explained why there is such heavy importation and you point out that "Large quantities of Continental steel which had been ordered for January to April shipments had not been shipped in time. All these goods were also shipped in May, June and July when the demand from this country fell off and the Continental price began to drop". Am I to understand that these stocks were ordered by dealers in anticipation of the duties, so to speak?

Mr. Anandji—Yes.

President—They hoped that they would get them in at a low duty, and would get higher price when the price rose?

Mr. Anandji—Naturally. That is what happened when the salt-tax came up for discussion before the Assembly last year.

President—What I should like to put to you is this, that if people bought heavily in the hope of large profits and did not get them, they must not expect much sympathy from the general consumer and the tax-payer.

Mr. Anandji—I don't say that they should have much sympathy but in the normal course they do expect to make some profit by speculation. In our economic life speculation is not always baneful.

President—The only other point is, you have given us prices up to September. Has there been any change since then? I think the prices in your second letter are selling prices in India, are they not?

Mr. Anandji—Yes.

President—I see that in October there has been a slight rise. But as regards the c.i.f. price has there been any change in October as compared with September?

Mr. Anandji—Yes, there has been a further fall in the price of Continental bars.

President—Could you give us the figures for October?

Mr. Anandji—There was a fall of between 2s. 6d. to 5s. per ton.

President—Does that apply to Continental angles and tees also?

Mr. Anandji—It applies to angles; I am not sure about tees.

President—Would it apply to Continental joists?

Mr. Anandji—Yes.

President—While we are on the question of prices, have you any views as to the probable future course of c.i.f. prices of Continental steel in sterling?

Mr. Anandji—It is a very difficult question to answer.

President—What is of some importance to the Board to ascertain, if they can, is that we have the steady fall lasting now for about 6 months and Continental steel is down very nearly to its pre-war level. Is it going any lower? Is there any bottom, or is the fall going on indefinitely?

Mr. Anandji—I am afraid I cannot answer that.

President—We have got the same answer from everybody. They all said they would not commit themselves to any opinion. You are not prepared to give any sort of forecast?

Mr. Anandji—It is very difficult to say. It would be as much wrong as right!

President—We can now turn to the other letter*. You say "It is undoubtedly true that the price of steel in India is about Rs. 15 to Rs. 20 less per ton, particularly for bars, than what it was when the Steel Protection Bill was passed". I would like to draw your attention to the fact that the rates of duty imposed by the Act were not based on the price of May and June last.

Mr. Anandji—I am referring to the time when the new Act came into operation.

President—The prices at the time imposed by the Act were based on the prices of the 1st of March 1931, and I am going to give a figure tomorrow you have got to compare the prices paid for the goods at that time.

Mr. Anandji—The prices of June were certainly the prices prevailing when the Act was passed.

President —We first gave the price at which we thought steel had been entering India in the latter half of 1921, and then we said that we adopted this price as the basis of our recommendation. We must assume that the Legislature accepted not only the specific recommendations, but also the general grounds for them.

Mr Anandji —Probably if the Legislature had before them the exact amount of burden the country would have to bear, then the whole thing would have been a matter of bounties and not increased customs duties.

President —But you must have noticed the fact that the Legislature have delegated to the Government of India the power to increase these duties.

Mr Anandji —But the facts before them, when they delegated this power, were not exactly the facts then prevailing. They were facts prevailing months before that.

President —It is not for me to say authoritatively what the Legislature had in its mind. After all the fact remains that these rates of duty were recommended by the Tariff Board on the assumption that the prices were going to remain on a certain level, and we said that, if imported steel came at a price below that, then the power to impose an offsetting duty should be given to the Government of India. The Legislature delegated this power. Don't you think the position I have stated to you is a reasonable one?

Mr Anandji —It seems quite reasonable, but I think if these facts had been before them, they would have suggested a combination of duties and bounties.

President —It is of course quite open to you to hold these views, but we have got to take it rather on the basis of what has actually happened. Then, you have told us that during the monsoon months the demand for steel is usually poor. "Ordinarily demand for steel during the monsoon months fall off to a large extent in India." Is that because engineering works cannot go on so briskly during the rains?

Mr Anandji —Agriculturists take to agricultural operations and they do not buy. They are the largest consumers of the bazar stuff. They do not go to dealers upcountry to buy during the rains.

President —Then in this list* of prices that you have given at the end of this letter, you give the maximum and minimum in nearly every case. Could you just tell us what that means? Is it the highest and the lowest price during the month?

Mr Anandji —Not exactly. Prices vary for certain sizes and also during the month but mostly owing to variation in sizes.

President —Are these taken from your own circular?

Mr Anandji —From our actual sales.

President —Then you say "The rise in the rate of the Rupee sterling exchange and the fall in the price of Continental steel have not had any effect as yet on the course of prices in India." I find great difficulty about that statement. What is the position? The prices to day are Rs 10 to Rs 20 lower than they were in April last and with the duties Rs 15 to Rs 20 higher. Are we not to believe that these facts are partly due to the fall in the exchange?

Mr Anandji —The fall occurred between September and October. The fall before that time was not very big. When the prices fell in India in July quotations for foreign material were £7 to £6-17-6.

President —I am not suggesting that the accumulation of stocks and heavy importation have not had an effect, quite apart from the price of Continental steel and the rise of the exchange. My point is whether the exchange has not had any effect?

Mr Anandji —The rise in the rate of exchange took place recently, a rise up to 1s 6d. The exchange was 1s 5½d towards the end of September and the foreign price was £7 to £6 17 6 in September. The fall took place in July. At that time foreign price was £7-5 and the rate of exchange somewhere about 1s 5½d and at that time price fell to Rs 6 8 for bars. After that it has actually gone up now. To day the selling price is a little higher. If it had been influenced by a fall in the Continental price and a rise in exchange it should have gone lower. Instead of that it has gone higher now.

President —Let us suppose that the rate of exchange had gone down to 1s 4d. in June, and let us suppose also that the Belgian price remained at the level at which it was in June. Do you think that the prices would be the same to day as they are now?

Mr Anandji —They would not have been very much higher.

President —You may be right but I do not think so.

Mr. Anandji.—Because the price ruling in July and August had not a very close relation to the cost price. It was regulated by the demand and supply solely. It followed the cost price to a certain extent because the lowest cost price of imported steel before the duty was raised was somewhere about Rs. 64.0 to Rs. 65.0. The market price was higher, but the cost was Rs. 64.4 or Rs. 65.0. After the duty was increased the demand fell and the price came down to that and it remained at that level and it could not go up.

President.—Don't you think that one of the reasons that kept the prices down after the fall in July was the fact that every month it was becoming more and more possible to import steel at a lower cost?

Mr. Anandji.—That was possible only in the beginning of October.

President.—Each month it was possible to import steel at a lower cost than in the previous one.

Mr. Anandji.—The difference was only 3 annas a cwt.

President.—A great deal more than that. The change has been taking place from month to month.

Mr. Anandji.—It was the price in August.

President.—There has been a steady fall in the price of Belgian steel from month to month, and at the same time there has been a fairly steady rise in the exchange, and these two things together amount to more than 3 annas a cwt.

Mr. Anandji.—On the contrary, you will find that the price has been going up when the exchange has been going up.

President.—There has been no rise at all in the month of October. Look at your figures. I have taken the mean between your limits.

Rs. a. p.			Rs. a. p.		
April	7	12 0
May	7	12 0
June	7	12 0
July	7	12 0
August	8	12 0
September	8	6 0
October	8	12 0

Mr. Anandji.—October is higher.

President.—It is all in agreement with the steady fall in the selling price of Belgian steel and the rise of exchange. In the case of yours there was a slight rise.

			Rs. a. p.		
April	6	14 0
May	7	0 0
June	7	0 0
July	6	12 0
August	8	12 0
September	7	6 0
October	8	12 0

Mr. Anandji.—You will see that the price of steel has gone up in September.

President.—All I can say is that I find it impossible to agree with theory that the rise in the exchange and the fall in the Belgian price are the only things to do with the fall in prices in India.

Mr. Anandji.—It may have had a slight sentimental effect. That is the utmost it would have had.

President.—I am sure it is not sentimental. What you have told me is that before the new duty was imposed in June the lowest cost price of imported steel here was about Rs. 120 to Rs. 125 a ton. After the duty was raised it went up to Rs. 135. Now, immediately after the raising of duty dealers in foreign steel outside the country sell at about Rs. 115 to Rs. 120 a ton and the market here is 135. There was a rise of Rs. 15 a ton and yet the price of steel in the country has gone down.

Mr. Anandji.—There was the rise in the cost price, but in the market price. I mean there was a rise in the cost price because the duty was imposed.

President.—What do you mean by cost price?

Mr. Anandji.—I mean price of duty, landing and other incidental things.

President.—What do you mean by what is selling in India?

Mr Anandji.—No The cost price of imported steel.

President.—Don't call it cost price It is very confusing So what you say is that in the case of bars if the duty was raised from Rs 30 to Rs 40, other things remaining equal and on the day before the duty is imposed it is going to cost him a certain sum, and the day after it, it will cost him Rs. 25 more

Mr Anandji.—That is what I mean

President.—Do you ascribe the course of prices in India entirely to this accumulation of stocks and the heavy importations in the months of May, June and July?

Mr Anandji.—Yes

President.—They were pretty heavy in August too What about the importations in September at Calcutta?

Mr Anandji.—I think they were smaller than in the previous months

President.—All I have seen is a general statement in the Trade Returns of September that there was again an increase in the imports of iron and steel generally, but it is difficult to know until the figures are published how much of them is steel

Mr Anandji.—The imports in the bazar were smaller

President.—Do you think that in Bombay the stocks are relatively larger than in Calcutta? By relatively I mean supposing in Calcutta it was 50 per cent it was more than that in Bombay, 70 per cent

Mr Anandji.—I am not speaking of percentages The quantity in Bombay is larger than in Calcutta

President.—Normally do you think that the stocks in Bombay are much the same as in Calcutta, or are they larger? Are the two markets equally important, or do you think more steel passes through Calcutta than Bombay?

Mr Anandji.—I think Bombay imports more steel than Calcutta

President.—All you are suggesting is that the actual quantity of steel in stock in Bombay is at present larger than in Calcutta?

Mr Anandji.—Yes

President.—You say that as Tatas on account of their proximity sell in competition with Continental steel to the buyers from the Calcutta market, the price and the stock in Calcutta were affected When did they begin to sell in Calcutta in competition with Continental steel?

Mr Anandji.—They have sold last month It was not their practice in previous years. They did not attempt to sell in Calcutta formerly in direct competition with Continental steel They sold the British standard steel to people who required it and did not compete in the market

President.—What the representative of the Tata Iron and Steel Company told us was that until recently they had not attempted to sell steel bars in Calcutta in direct competition with Continental steel They disposed of it up-country where they had a bigger advantage, but recently they had entered the Calcutta market and began to sell in direct competition with Continental steel All I wanted was from what date has this sale begun to affect the Calcutta market?

Mr Anandji.—I am not in a position to give you any dates. Last month they sold some steel in Calcutta

President.—In September?

Mr Anandji.—Yes

President.—That corresponds with my recollection also Did you notice it before that?

Mr Anandji.—No

President.—They came in and began to sell in Calcutta at the same price as Continental bars were selling?

Mr Anandji.—At a lower price They sold to merchants and merchants will have to pay cartage to take the goods from the railway station to their yards

President.—Is that really undercutting?

Mr Anandji.—Supposing the Continental steel was selling at Rs. 130 they may have sold at Rs 125, Rs. 120 for Calcutta

President.—In connection with Indian steel you have got to incur certain expense and in connection with Continental you have not It is not undercutting

Mr Anandji —It is not undercutting in one way and it is undercutting in another way

President —It is not finally sold to the merchant

Mr Anandji —It is sold to our buyers They could have sold to them at prices we were selling to them

President —All I want is to get at the facts about that On page 3 you say that if the duty is raised immediately, it will simply cause further losses to merchants without any benefit to Tatas In what way would it cause further losses to merchants?

Mr Anandji —I have made it clear They will have to pay an additional duty and they won't get a higher price in the market.

President —But you have to tell us that there is an accumulation of stocks in the market Why should they think of purchasing any more for shipments just now?

Mr Anandji —I do not think purchases have been very big after the prices fell

President —If the market is overstocked, what is the point of getting new stock?

Mr Anandji —What about the goods coming in? The price won't go up immediately They may have been ordered in May or June

President —The accumulation of stocks must have been evident then

Mr Anandji —The goods must have been purchased somewhere in May or June They must be coming out now

President —People in the trade must have known that there were heavy stocks in the market

Mr Anandji —The condition of the market was not so bad It was not possible to foresee that the market would take a turn like that

President —The inference I would draw is that they miscalculated the demand altogether, and, if so, the consequences are entirely their own making I do not see that the responsibility rests on any one except themselves You say at the end of the paragraph near the foot of page 3 "The only difference which the enhancement of the duty will make will be this that those goods will have to be sold probably at as big a loss as goods which arrived in August and September, because the advantage due to the rise in the rate of exchange will be offset by the additional duty" That is certainly the object of increasing the duty

Mr Anandji —Otherwise they would not have made a loss The object of the duty is I think to raise the price The price would go up in the ordinary course of things even if the duty is not raised, because at present people are selling at a loss

President —Then how do these additional imports come in?

Mr Anandji —They must come in in small quantities It is not possible to stop them altogether Goods must be coming in the market

President —If the quantities of the coming importations are comparatively small, the loss falling on the merchants will not be very heavy

Mr Anandji —Still there will be some After the Board will announce people will not buy more goods at present It is not in their interest to sell at the present prices because they are losing They desire as much that the price should go up as Tatas do because they are losing now

President —Do you think it would not be possible for other people to go into the business and import large quantities of steel before three months are up?

Mr Anandji —You have got to order some months beforehand It takes some time to import things It takes about 2½ months for Continental goods to arrive in India

President —I confess I am unable to follow how a postponement for three months could conduce to the interest of any one, except to the interest possibly of the importer.

Mr Anandji —There are not big quantities of steel always ready for shipment There may be some small quantities ready They may come in but I do not think big quantities will come in

President —Our experience is that, if you are going to impose additional rate of duty, the quicker you do it the better It is not customary for Government to give notice beforehand

Mr Anandji —That is quite true, but still the period of notice will vary with the availability of goods If the goods are available in India it will be necessary to impose the duty immediately If it takes two months to get them you can afford to give that time

President—At the top of page 4 you say "It would not therefore in my opinion be proper to enhance the duty now to offset what may only be a temporary fluctuation in the rate of exchange." "Temporary" has got different meanings. Do you think that the rate of exchange is likely to fall much within the next six months?

Mr Anandji—Generally the rate of exchange falls in the month of February or March when the export season nearly comes to an end. Of course there are small exports, but the big export season closes in March. That is what has happened in the last two or three years.

President—Are we not hearing on every side now grave expressions of apprehension as to the demands for currency during the current season. Big crops have got to be financed and a large amount of money is required. Does not that rather suggest that there may be a tendency for the exchange to rise?

Mr Anandji—Every year there is demand for money during December, January and February.

President—We have got a favourable monsoon this year and prices are pretty high.

Mr Anandji—It is all speculation. You cannot say exactly how it will turn. You can take the course of fluctuations of past years and from them you can form your idea.

President—We cannot make calculations like that. The Board has got to consider what is the most probable contingency.

Mr Anandji—There are the rates of the past and you can see them.

President—We have got to consider what is probable. You say that the decline in the price of Continental steel has been only about 10% from what it was in March, and the rise in the rate of exchange also seems temporary. Do you remember what the sterling Belgian exchange was last March?

Mr Anandji—I do not follow the sterling exchange very closely.

President—It was 120 francs to the pound sterling.

Mr Anandji—I do not follow it closely and I am not in a position to say whether it was high or low.

President—In March there was a complete collapse of the Belgian and French exchanges and that of course naturally reflected on the sterling price of Belgian steel. The French Government took immediate steps in New York and London to put back the exchange, with the result that in April the prices of Belgian steel were a good deal higher than in January. Is not that what occurred?

Mr Anandji—The price for April was £8 5s.

President—A comparison with March is unfair. The prices in that month were due to the complete collapse in the French and Belgian exchange.

Mr Anandji—The Board completed their enquiry in March, that is why I have referred to that.

President—Then you enumerate the various items that make up the price to the consumer—the various charges the consumer has to bear before the steel reaches him—Rs. 2-8 for landing charges, Rs. 1-6 for interest, Rs. 10 for cartage and handling charges. That would be not only cartage and handling at the time of landing but also taking them to the yard?

Mr Anandji—Yes, from the dockyard to your own yard.

President—Would that cost as much as Rs. 10 a ton?

Mr Anandji—Yes.

President—The difference between the c.i.f. price and the internal price does not leave enough margin for paying Rs. 10.

Mr Anandji—In Calcutta you will find that a cart carrying 11 cwt. would cost you about Rs. 1-12 to Rs. 2 from jetty to the yard.

President—That would be only Rs. 4 a ton.

Mr Anandji—Then there are handling charges at both ends, then again the goods are not always discharged at Calcutta jetties. If they are discharged at the Kidderpore docks you have got to pay higher cartage. These charges must be paid. You must take the steel from the jetties to the yard.

President—This figure of Rs. 10 is very high.

Mr Anandji—These are facts. You can enquire in Calcutta if it is a fact or not. You have got to pay more from Kidderpore—I think it is Rs. 3 per cart.

President—Then you say "Rs. 2-4 for shortage in weight". Do you find shortage in weight in consignments?

Mr. Arandji—Yes. Suppliers of Continental steel say that goods would vary about 4 per cent. in weight. There can be variation of 4 per cent. from the average weight, so that if you take the invoice and try to point out that on theoretical calculation they have charged more, they will say 'we have told you that'. To weigh the goods demurrage and weighing charges will have to be incurred here, and you have got to suffer. If you pay for the invoice weight you suffer less. Invariably there is a shortage.

Mr. Girwala—Does the steel dry up on its way?

Mr. Arandji—I don't know what happens but these are the difficulties of the importers.

President—Then you say Rs. 4-8 for profits. What sort of percentage would that be?

Mr. Arandji—It would be about 5 per cent.

President—What you mean is that unless the dealer covers these charges in his selling price he is going to lose a little?

Mr. Arandji—Yes.

President—So that in the long run over a period of years he has got to realise something like these charges?

Mr. Arandji—Yes.

President—I must say that the cartage and handling charges seems to be very high.

Mr. Arandji—You can make enquiries in Calcutta.

Mr. Girwala—In our last investigation in Calcutta we were told that it was about Rs. 5-8 and in Bombay about Rs. 7-8.

Mr. Arandji—Charges in Calcutta would be a little higher because sometimes you have got to get your goods from the Kidderpore docks.

Mr. Girwala—But that is the sort of evidence we had. It was never Rs. 10.

President—Then you say "If however the Board decides to grant a further increase in the duty, I would request them not to interfere with duty on rods, plates 18" and sheets 13 to 20 gauge." Do you do much merchant business in rods?

Mr. Arandji—Yes.

President—What sort of thickness are these 13 to 20 gauge sheets?

Mr. Arandji—16 gauge is 1 16", 11 is about 1 8".

President—All I can say about that is that the Board will consider about it. To sum up you say "The fall in the price of Continental steel, particularly bars, is due to exceptionally big stocks and Tatas are trying to undersell Continental steel in the Calcutta market". I am not sure that you have satisfied the Board that Tatas have been underselling you.

Mr. Arandji—In a way they have been underselling as I told you. If you take our price and their price you will find their price is lower than ours. That sort of thing I call underselling.

President—Tata's steel instead of selling to your customers is sold to merchants in the same portion as yours at below the price at which you sell, the result being that the merchants when they re-sell get the same price for Tata's steel as they get for Continental steel. Frankly I do not call it underselling.

Mr. Arandji—I take our selling price and Tata's and find that Tata's is less than ours. We call 'not underselling'.

President—That may be underselling you but not underselling the Continental.

Mr. Arandji—In a way they are, because our price is less than it would otherwise have been. We are forced to sell at a lower price.

President—You mean that Tatas have gone into the market and reduced the prices you sold at. You suggest that Tatas have actually reduced the current prices?

Mr. Arandji—I have made my meaning of underselling quite clear as I understood it.

President—Then you say "If the Indian market had been in a normally healthy condition Tatas would, with the present rates of duty, have sold the material at about Rs. 1 1/2 per ton". There are not seems to me that the statement is quite impossible to accept because, with the British prices falling as they have been, there must have been a great deal of work done in cutting prices.

Mr. Anandji—I have given our price as Rs 100 with Rs 80 per ton duty. If you deduct Rs 10 from that the cost would be Rs 150. Tatas can sell upcountry at Rs 180 against that. They have got an advantage in freight.

President—You mean that the price Tatas can obtain in competition with Continental has been lowered beyond the point to which it would be reduced by the fall in the price of Belgian steel and the rise in exchange. I think that it is probably true. I attach considerable weight to the rise in exchange and the fall in the sterling price of Belgian steel, but you don't.

Mr. Anandji—I have showed you that the cost with the present duty would be about Rs 150. If you say that there is big stock and that is hindering the price in going up, your aim should be to reduce the stock to such a level as to enable Tatas to realise a fair price.

President—The only thing to do is to stop further imports.

Mr. Anandji—This, I say, can be met by a further delay of 3 months.

President—But within the three months the goods ordered will come in whether the duty is put on or not.

Mr. Anandji—Your object will be achieved even if the duty is raised after three months, because the goods ordered will come in any case whether you raise the duty or not. With the present rate of duty the cost price will be somewhere near Rs 150 and if the market price here can go up, as it is bound to go up, Tatas can sell at Rs 180.

Mr. Ginzala—But surely you do not mean that if you want to strike an enemy you would give him time to prepare himself to do all sorts of things to strike you? The Belgian people know that on the last occasion when speculation took place speculators got hit on account of delay on their part. Now if you give them three months they will deliver the goods in three months.

Mr. Anandji—How can they? Goods won't come in two months.

Mr. Ginzala—If you are going to give the industry the benefit of an increased duty, should you not see that the duty is imposed without delay? You yourselves have said that in anticipation of the duties people ordered goods in March last. It was unfortunate for them that the goods did not arrive, but they did speculate. If the Legislature and the Government of India had imposed the duties immediately on receipt of our report that would have been prevented, would it not?

Mr. Anandji—Whether they had imposed the duty immediately or two months after would have made no difference. You gave them enough time to send orders and get goods. You seem to be under the impression that there are enough goods in stock on the Continent which could come in a month or two. It is not so. They have not got big quantities ready.

Mr. Ginzala—The requirement of this country is not very big and it can be easily met out of the stock held in Belgium.

Mr. Anandji—What I find from their shipments is that you cannot get ready goods, that has been the case in the past.

Mr. Ginzala—I must leave it at that. But when you found that Tatas, as you put it, were underselling the Continental steel, did you try to obtain some steel from them so that you should be able to sell it along with Continental steel?

Mr. Anandji—Yes. I did.

Mr. Ginzala—What price did you offer?

Mr. Anandji—Rs. 120.

Mr. Ginzala—What did they ask for?

Mr. Anandji—Rs 125 or Rs 130.

Mr. Ginzala—What was the import price at the time when you offered Rs 120?

Mr. Anandji—My cost price with duty was over Rs 7 a cwt.

Mr. Ginzala—You offered them Rs 120?

Mr. Anandji—Because the selling price was about Rs. 130. How can I offer them anything more than Rs 120. There are cartage and other things and I must make some profit.

Mr Ginwala —The steel that Tatas produce is of superior quality to the Belgian steel. If there is a difference of Rs 2 or 3 or 4, customers will generally be willing to give it if they get the British standard?

Mr Anandji —I would surely have paid it if that was the case as it does not make any difference to me.

Mr Ginwala —Before this question arose at all they were always able to command a higher price.

Mr Anandji —Not in the bazaar.

Mr Ginwala —But in the market?

Mr Anandji —You mix up the two things. They can get a higher price from those who wanted British standard goods. The merchant from upcountry does not want British standard goods. It is the engineering firms and the Railways who want British standard. They cannot get a higher price from the upcountry merchant.

Mr Ginwala —As the bazaar now stands, Tatas cannot get a higher price than that at which Continental steel is sold in the market?

Mr Anandji —No.

Mr Ginwala —That is the reason why they ask for additional duty.

Mr Anandji —I am not opposed to the increase in duty.

Mr Ginwala —The country considered that it would be in its own interest if the steel industry was established in the country.

Mr Anandji —Yes.

Mr Ginwala —If it is found that it cannot be maintained in the country, then I take it you have no objection to the Government adopting any measures which would ensure its maintenance?

Mr Anandji —It must give all adequate protection to Tatas. At the same time all unnecessary burden should be avoided.

Mr Ginwala —We must take this burden in another sense. You must not try to put it as a lump sum of the difference between the price at which you sell it and the price the Legislature intended that Tatas should get for it. When the Legislature decreed that Tatas should get Rs. 180 a ton on an average, subject to exceptions, it also intended that the consumer must pay Rs. 180. Therefore is it really increasing the burden if the consumer is compelled to pay what the Legislature intended that he should pay. Will you look at it from this point of view?

Mr Anandji —If you make an unnecessary increase in the duty very often, you will be doing that indirectly because after all the merchant has got to get goods, and if he finds that he is losing he will import less. You require always an efficient trade. If people want to make big profits the consumers will have to pay ultimately for it.

Mr Ginwala —The consumer is not asked to pay more. The intention was that Tatas should get Rs. 180 a ton. If Tatas are able to establish their case they will get only Rs. 180 which the country intended that they should get. There is no question of additional hardship.

Mr Anandji —Hardship is going to come in, in this way that the hardship on the merchant is bound to be passed on to the consumer ultimately.

Mr Ginwala —If the Legislature had this object in view that Tatas should get Rs. 180 there is no other way of doing it. Is there any other way or alternative?

Mr Anandji —I have suggested an alternative that you should not enhance the duty immediately.

Mr Ginwala —But supposing we found that it was not possible, is there any other alternative?

Mr Anandji —I do not see any other alternative except of giving bounty from the additional revenue which Government get.

President —At the beginning of the meeting this morning I explained the scope of the enquiry. This is outside the scope of our reference, whatever may be the merits of the suggestion.

Mr Ginwala —I think you told us that you do business to the extent of 35 to 40 thousand tons a year. That is a very large proportion of the business in the country. Can you give any idea of the estimate of stocks in the country?

Mr Arandji—I can tell you of Calcutta. The stock in September was 15 to 20 thousand tons of black iron and steel. I am not referring to galvanised steel. Of course I deal in both.

President—You think that the Bombay stocks are larger than that?

Mr Arandji—Yes.

President—Could you tell us anything about the stocks in Cawnpore or some upcountry centre?

Mr Arandji—No.

Mr Ginnala—You import your steel direct from Belgium?

Mr Arandji—Yes.

Mr Ginnala—Are you in touch with conditions there? Have you got any representative in Belgium?

Mr Arandji—No.

Mr Ginnala—You are not in a position to tell us anything about the actual conditions prevailing in Belgium?

Mr Arandji—No.

Mr Mather—In your letter of the 21st October you ask the Board not to interfere with the duty on rods. Where will you draw the line?

Mr Arandji—Bars under 1/2" are rods.

Mr Mather—What is the customary distinction in the bazaar trade?

Mr Arandji—3/16" to 7/16" bars are called rods. Over 7/16" count as bars.

Mr Mather—There is a question connected with your remark at the end of the same letter about shortage in weight. It was reported to us last year, I believe, and it seems to be the general opinion so far as beams and sections are concerned, that Continental material is considerably below the nominal weight.

Mr Arandji—That is the case with regard to beams.

Mr Mather—Do you handle many of these beams?

Mr Arandji—A fair quantity.

Mr Mather—What is your experience of the average deficiency in weight of the Continental beam below the weight of the normal beam?

Mr Arandji—What I mean to say is this. With regard to bars, rods and even plates we take the invoice weight. We do not weigh them actually. We get less weight some times and sometimes more. Sometimes we are charged in the invoice 3½ per cent more than the actual weight. In the case of joists we order specially light weight.

Mr Mather—Let us take bars. You have told us that the Belgian maker informs you that there is a variation of 4 per cent. Does it mean that the weight may be either 4 per cent more or 4 per cent less?

Mr Arandji—We get them heavy. Sometimes they are about 2½ to 3 per cent more than the standard weight. If you complain to them they say the variation is within 4 per cent.

Mr Mather—If you pay on net weight, then there is no less.

Mr Arandji—We pay on the invoice weight. To get the actual weight we must have the goods lying at the jetty for some time and we have then to pay demurrage charges.

Mr Mather—If they invoiced the actual weight there would be no loss.

Mr Arandji—They say that they invoice the actual weight, but when you weigh them they are a little less.

Mr Mather—If they are light they invoice you the normal weight?

Mr Arandji—Their invoice weight is heavy. They give less and charge for more.

Mr Ginnala—I think the Belgian manufacturer knows that if you have a test made it would cost you more.

Mr Arandji—The Belgian supplier says that in case of shortage we must get a certificate signed by the Belgian Consul.

Mr Mather—Let us come back to beams. You say you get them fairly close to the weight you actually order.

Mr Arandji—Yes.

Mr Mather —For 16lbs to a foot you get 14lbs ?

Mr Anandji —They have got a limit up to which they can go They charge on the theoretical weight and as we sell on the theoretical weight we do not bother about the actual weight There is no loss on beams

Mr Mather —Supposing the nominal weight of the beam should be 15lbs and you told the Belgian manufacturer that he should supply light—14 lbs —and you know he is going to do it Does he invoice you 15lbs ?

Mr Anandji —At 14lbs

Mr Mather —Do you sell it to your purchaser at 14 or 15lbs ?

Mr Anandji —At 15lbs That is what the British manufacturers also do

Mr Ginnala —Do Tatas do it ?

Mr Anandji —They contemplated doing it They have not done it so far

Witness No. 12.

Messrs DHONONJOY SEAL AND COMPANY, CALCUTTA

WITNESSES

Representation dated the 16th October 1924

We beg to approach respectfully to you with the strongest protest against any further increase of duty on iron and steel goods. The sore caused already is too much to bear and the merchants here are in a ruined state.

We wish to put the matter in a few words to avoid encroaching upon your valuable time and hope the same will have your best attention.

The alleged reduction of Continental prices by the causes as made by Messrs Tata Iron and Steel Company comes not within any percentage and in fact the cost price of foreign goods stands in almost the same place as in June last in the sense that the cost prices have the chance of going up very soon that will surpass the prices taken as basis at the time of your enquiry last time. Will Messrs Tata and Company then apply for reduction of duties in the similar way as they are doing now for further increase within this short time during which period the tendency of the foreign market is impossible to ascertain when there are many complications in the Continent politically and financially.

No one can conceive of a market without rise and fall in prices and the Board surely had this in view during their original enquiry. To meet these fluctuations that take place many times in a year, a basis should be fixed from which average increases and reductions might be allowed without interference. In our opinion the prices originally calculated may be taken as a safe basis.

With regard to local prices of Continental goods, they are in some cases about 15 per cent below costs and so the dealers are losing heavily. This is surely due to absence of buyers of these goods who get from Messrs Tata and Company, owing to concessional rate of railway freight, at much cheaper rates than they would have received had they purchased from Calcutta market. So in spite of Messrs Tata's allegations against low prices of Continental goods they are well disposed to compete even if the Continental prices are reduced by further 15 per cent.

The above statement should be considered as not only of our firm but that the opinion of the whole Bengalee merchants and dealers in Calcutta. We don't think at the same time that the European merchants will have reason to differ. It is our further opinion that if any further increase of duty takes place, it will only hasten the ruin of one of the main businesses of the land that has already been to some extent accomplished.

Witness No. 13.

Mr. NEPAL CHANDRA SET and others.

WRITTEN

Representation dated the 18th October 1924

We the undersigned are importers and dealers in iron and steel imported from Great Britain and the Continent

We have gone through the Press Communiqué issued by the Board on the 14th instant relating to the application of the Tata Iron and Steel Company for the imposition of additional and offsetting duties on certain kinds of iron and steel

As Indians we hail with great pleasure the ideas and prospect of an Indian concern being able to supply one of the principal demands of the country At the same time there are other gloomy aspects to which we cannot shut our eyes

In May and in the beginning of June last, i.e., immediately before the imposition of the new tariff rate the general wholesale price of common bars for a lot comprising 12 to 15 tons or more was Rs 130 to Rs 135 per ton, when the duty was Rs 13 per ton Then came the death blow of the Steel Industry Protection Act of 1924 which came into operation on the 13th June last and the market collapsed immediately and since then common bars are being sold at Rs 120 per ton against cost price of Rs 150 per ton, thus entailing a loss of Rs 30 per ton on the dealers Even at these prices there is very little outside demand and the market shows no sign of improvement We are at a loss to understand how the Tata Iron and Steel Company will be able to sell their bars at their figure of Rs 180 per ton Similarly, Angles and Tees which were being sold at Rs 135 and Rs 140 per ton have since fallen to Rs 120 per ton entailing a loss of Rs 10 and Rs 15 respectively on the cost price

India was at one time the richest and is now the poorest country and the recent experience shows that with the rise of price in steel, demand will gradually diminish.

At the last annual meeting of the Tata Iron and Steel Company held about a fortnight ago, it was stated by their President that the protection is ineffective as the import has doubled since the imposition of the new tariff rate We should draw the attention of the Chairman and the members of the Tariff Board as well as the Government and the members of the Imperial Legislative Assembly to the fact that Continental steel arrive in Calcutta generally six to seven months after purchase For instance, in January we purchase goods of April/May shipment which generally arrive in Calcutta in July and in some cases in August The Continental steel purchased before the imposition of the new tariff rate are still coming and will go on up till December These goods are bringing ruinous losses on the dealers as already mentioned Any further enhancement of duty under the present condition will only add to the chaos and confusion which is reigning in our market In fact, the severe strain put upon us by Government by drastic imposition of duty is trembling in the balance and any more strain will force us to close the business and leave the goods to their fate Drastic reductions are being made in our establishment charges and many employees are already starving and with the imposition of additional duty the business will come to a standstill and many thousands will be starving

Regarding the proposal to impose additional duty in proportion to the rise in the exchange value of the rupee we would point out that the exchange which rose to 1s 6 5/16d per rupee in the first week of the current month has since dropped to 1s 5 7/8d. per rupee and no one can tell that it will not come to 1s 4d per rupee in a fortnight As this depends upon balance of trade and other outside factors, no additional duty seems judicious on the basis of exchange It is fresh in our memory that in 1920 the Government took part in trade and was selling reverse Council Bills and the exchange rose to 2s 10½d per rupee on which basis we entered into heavy commitments When the goods arrived the exchange fell to 1s 7d or less per rupee which within a few months fell to 1s 2½d per rupee All of us suffered enormous losses and many ruined Many big firms in London and other places went to liquidation owing to sudden rise and collapse of exchange in 1920

Protective duty have been imposed on British Galvanised corrugated sheets, ½" plates, sheets below ½", plates over ½", and rods We would request the Tariff Board to call for a statement from the firm protected showing the quantity of the above materials manufactured and sold in these four months If nothing has been done by them as yet we would request the Tariff Board to recommend to Government to refund the protective

duty levied from us on these kinds of materials and to abolish the protective duty on them henceforth which are ruinous to dealers as well as to consumers

The present chaotic condition of the Calcutta Iron market can better be imagined than described and we would request you to send a representative from your Board to our market at Calcutta for detailed enquiry

There may be employment at Jamshedpur but disaster will be the result of further increase of duty at the present stage

In conclusion we protest emphatically against imposition of additional duty, at least, before February or March next, if any further is to be imposed at all

Further at present Iron and Steel is supplied from numerous factories of Great Britain, Germany, France and Luxemburg. The maximum production of the Tata Iron and Steel Company, Limited, can hardly meet the demands of the country. Protection on certain kinds of steel, such as only bars, rods and joists seems sufficient. Protection to non-existing things such as $\frac{1}{4}$ " plates, etc, seems rather curious

CALCUTTA IRON MERCHANTS' ASSOCIATION.

WRITTEN

Representation dated 21st October 1924

Referring to the press communique issued by your Board relating to the application of the Tata Iron and Steel Company, Ltd, for imposition of additional off setting duties on certain class of Iron and Steel, we would state as follows —

From the proceedings of the Tariff Board dated the 17th instant before which Mr Sawday, the sales Manager of the Tata Iron and Steel Company, Ltd, gave oral evidence it appears that copies of correspondence between the above Company and the Secretary to the Government of India, Commerce Department, were submitted before the Board. It appears that in their letter dated the 12th August 1924 to the Government of India, the Company showed, how new duties had failed to raise prices of imported Steel to the extent intended by the Steel Protection Act. We would draw the special attention of the members of the Board as well as yourself to the fact that the object to raise the price of Steel by imposition of high duty, totally failed as the price came down by about Rs 20 per ton immediately with the imposition of duty. For instance, common bars of small lots comprising of about fifteen tons which were being sold at Rs 140 per ton in May last, came down to Rs 120 per ton immediately after protective duty was imposed. Four months have elapsed since the imposition of the new tariff rate and the common bars are still being sold at the above figure of Rs 120 per ton and the market shows no signs of improvement. The prices of these materials were about Rs $\frac{3}{4}$ per cwt in pre war days when duty was about one per cent. The maximum price at which consumers may be expected to buy these goods now should be taken at Rs 140 per ton. Any attempt to raise the price of imported as well as locally manufactured Steel Bars at more than Rs 140 per ton is doomed to failure. Even with the high inflation of exchange and the rock-bottom prices at which they were purchased from abroad, the cost price of these bars is about Rs 150 per ton and the merchants and dealers are losing Rs 30 per ton. The ultimate aim of the Steel Protection Act of 1924 was to raise the value of imported Steel equivalent to Messrs Tata's price, but instead of producing the desired effect, the arrow hit hard the dealers and the importers, many of which are tottering and verging on ruin. At the last annual meeting of the Tata Iron and Steel Company, Ltd, Mr R. D. Tata stated that protection is ineffective and that import of Steel had doubled in last two months. We would draw the attention of the members of the Tariff Board to the fact that the goods referred to by Mr Tata were all purchased before the importers and dealers dreamt of any interference in their business by Government. For information of your Board, we would state that Continental goods arrive in India generally six to seven months after purchase. The goods purchased after the imposition of new Tariff rate in June last, will commence arriving in India from about December next and Import lists will prove the horrible depreciation in Imports as well as Government revenue.

Regarding the imposition of additional duty in proportion to the inflation of Exchange and drop in Continental prices, we think the idea is almost absurd as the Exchange which depends on India's trade balance and other factors is now ruling at about 1s 6 1/8d. per rupee and may come to 1s 4d per rupee or below in a fortnight. Also the price of Continental Steel may go up by £1 or £2 per ton within a short time, as we are regularly getting information from our correspondents in London that the present prices are far below the cost of production.

In pre war days the price of the bars which was about £5 15-0 and £7-10 0 per ton may be taken as the standard price of the imported Steel Bars in these days and 1s 4d per rupee, the standard rate of exchange which brings the value to Rs 112 8 0 per ton exclusive of duty and landing. Adding the present duty of Rs 40 and landing, etc, of Rs 2 8 0 per ton the total value comes to Rs 155 per ton or Rs 7-12-0 per cwt. It has already been pointed out that these goods cannot be sold at more than Rs 140 per ton except in ridiculous small quantities. The duty should therefore be reduced by Rs 15 per ton at the least. With retrenchments and economies the local manufacturers may be able to sell at the above figure of Rs 140 per ton.

At present, the demands of this country are supplied from numerous works of Great Britain and the Continent and the output of the Tata Iron and Steel Company seems hardly sufficient to meet demands for two months.

It appears from Mr Tata's statement reported in Newspapers that only a few hundreds are out of employment at Jamshedpur but many thousands of Indians will be out of employment by the collapse of imported Steel business. Instead of paralyzing the entire

Steel business, would it not be judicious to maintain protection at the present scale on certain class of materials and abolish the protective duty imposed on British Galvanized corrugated sheets, thin sheets $\frac{1}{8}$ " Plates Rods and Common Bars. First to fourth items are not still manufactured at Jamshedpur. The common Bars being agricultural and similar implements, protective duties on them must be abolished in the interests of the poor and public of India. Before anything is done, we would request the Tariff Board to call for a statement showing the quantities of Galvanized corrugated sheets $\frac{1}{8}$ " Plates, Sheets below $\frac{1}{8}$ ", Rods below $\frac{1}{8}$ " in diameter and Common Bars, manufactured at Jamshedpur and sold in Bazar or consumers. If nothing has been done or if the quantity be insignificant, we would strongly request the Tariff Board to abolish the protective duty imposed on them.

We would also request that the Board, in taking into consideration, the margin between the price at which imported Steel is likely to enter India free of duty and the price at which the local Industry can sell them, would be pleased to remember that a heavy portion of the goods landed at Bombay and Calcutta Ports are despatched by Railway to Cawnpore, Murzapore and other centres in up country and the Tata Iron and Steel Company, Ltd., have got about fifty per cent Railway freight concession and that the margin for the Importers and Dealers in Imported Steel should be at least Rs. 7 per ton.

In fair justice to the Importers and Dealers in Imported Steel and with a view to save them from losses, there should be some clauses prohibiting the local manufacturers to sell below the prices on the basis of which protection is granted.

We are strongly of opinion that any further interference of Government in trade by further imposition of duty will hit hard the consumers, dealers and merchants and disastrous results will issue.

In 1920 Government interfered in trade by the sale of Reverse Council Bills and disaster was the result and many Firms here and abroad were ruined. We are already hard-pressed tottering in consequence of the last enhancement of duty, and if duty be further enhanced, of which we have already been panic-stricken, it will not be possible for us to retire drafts for the incoming goods relating to outstanding contracts, which goods will surely be resold in the market, bringing the market more and more down as a result thereby. This clear fact in view is horrible to think, but this is sure to come to pass in consequence of further enhancement of duty and the Government and the people alike will then have to regret to witness a very disastrous result in a totally collapsed market of imported Steel business to follow. In conclusion, we beg to state that if the vital interests of the merchants, Importers, Dealers and business-men in general dealing in Steel goods in India be ignored (not duly considered) and the above-stated facts are not properly attended to, we won't feel interested if duty be further increased at Rs. 100 per ton as suggested by Mr. R. D. Tata at the proceedings of the meeting of the Tariff Board on Monday last or be it double or more.

Witness No. 15

IRON MERCHANTS, MADRAS

WRITTEN

Letter dated 20th October 1924 from the President of a meeting of the Iron Merchants of Madras held on the 18th instant, forwarding representation dated 20th October 1924

At a meeting of the Iron Merchants of Madras held at the above address on the 18th instant it was unanimously resolved to send a memorial to the Tariff Board protesting against the further enhancement of duties on Iron and Steel. As President of the above meeting I have been requested to send the said memorial to the Board. In terms of the resolution I have the honour to enclose herewith the said memorial.

Representation of the Iron Merchants of Madras dated the 20th October 1924

We the undersigned, Iron Merchants of Madras, respectfully beg leave to enter our emphatic protest against any further enhancement in the duties on Iron & Steel of whatever description and irrespective of the country of its origin.

In the first place there is absolutely no justification for any protection for goods manufactured by Tatas who are practically the only people to benefit by the State Aid to Industries Act of 1924 at present. Messrs Tatas started this industry before the war of 1914 and from their prospectus issued at the time it is clear that they expected to make a profit and pay dividends to their shareholders even at a time when steel was selling in India at about Rs. 85 per ton. In fact they did manufacture and sell steel at or about Rs. 85 per ton and yet were able to pay 5 or 6 per cent. dividends to their shareholders.

During the war, of course, the trade and economic equilibrium of the world got upset and Tatas along with other profiteers made 30 to 40 times their usual profits. No question then arose as to the cheapening of the price to the ultimate user nor was the major portion of the huge profits utilised to build up a reserve against the expected slump. On the other hand all the huge profits were divided amongst the shareholders at the time and what was worse the Tatas expected to sell the same quantities after the war as they did during the course of it. They evidently ignored the fact that there were other countries with which they were in competition as in pre war days and called for additional capital to increase their manufacturing capacity. The end of the war, of course, brought forth its reaction and India along with the other countries of the world is suffering from Trade depression.

Tatas manoeuvred very well and got the Steel Protection Act passed posing themselves as the saviours of India and of its key industry.

Now they have once more begun to press the Government for enhanced protective duties on the ground (1) of an appreciation in the rate of Exchange and (2) of certain countries dumping their cheap goods into India.

Now as regards Exchange, it is not only Tatas that have reason to grumble. The whole of the Import and Export trade of India is being ruined by the currency and Exchange policy now adopted by the Government of India. In no civilised country in the world except India would such a monstrous policy be allowed.

When the Steel Protection Act was under discussion and when it was passed Exchange was $\frac{1}{2}$ and as the Finance member was only releasing currency for trade purposes against Sterling Bills it was apparent to every one that the Indian Government were determined to force up Exchange. Even granting that the Committee did not take this factor into consideration at the time they recommended the present rate of duties, we submit that Tatas should apply to Government to grant them a bounty equal to the difference between the average rate ruling during the month and $\frac{1}{2}$ on which basis apparently the original duties were fixed. This would be more just and equitable. We would respectfully urge that any fixing of duties based on Exchange fluctuations would spell disaster to the Iron Trade of India as we do not know whether Exchange would be 1s 3d or 2s next month.

The second point as to Continental countries dumping their goods at cheap prices is another myth. We find that the prices of steel all the world over are 25 to 35 per cent, higher than pre war rates and the goods imported into India at present cost as much. There is absolutely no proof that bounties of any kind are being offered by Continental or other countries to enable shippers or manufacturers to dump their goods into this country.

We further submit that the Act having been passed only three months ago there has not been sufficient time to test the effect of the present scale of duties

Any further advance in the duties is bound to affect the agricultural classes who are already getting about 15 per cent less for their produce owing to Exchange fluctuations and are paying 50 per cent more for the materials required for the making of their country carts, ploughshares, etc

For the above reasons we would respectfully pray that your Board will refrain from recommending a further increase in the duties on Iron and Steel at present and would leave the matter over for at least another year till the world's markets settle down and the effect of the present scale of duties could be assessed properly.

BOMBAY IRON MERCHANTS' ASSOCIATION, BOMBAY.

A — WRITTEN

Representation dated 19th October 1924

My Association, views with alarm the request of the Tata Iron and Steel Coy for off-setting duties on certain imports of steel and specially of common bars. My Association had made two representation before the Board when they were examining the question of PROTECTION TO INDIAN STEEL. Our representative also gave evidence before the Board. From these it would be seen that as Indians we are not opposed to help being given to our National Industry and even now we repeat our assurance to the Coy. Our representative observed amongst other things that "We have no particular love, for Continental Steel. We will be the first persons to handle Tatas steel if it is cheap" (p 629) "I do not resist any help that may be ultimately given to Tatas" (p 620)

The real fact is that our principal article of trade is common bars which was about 25 per cent of the total steel import in India in 1923 being 192,046 tons out of 746,467 tons. Hardly 10 per cent of this is from Britain while 90 per cent or even more is from the Continent. Tata Coy's aim has been from the very beginning to cater for those who use British steel. 90 per cent of their products are certified as of British standard by Government Inspector. The Board also admits this in paragraph 47. The Company has never in the past made any effort to cater for the trade and the trade on its part has never tried to interfere with the efforts of the Tata and Coy to supply buyers of British steel bars. The trade also allowed the Company without protest to capture Upper Indian markets on account of concession on Railway freight. These two classes of customers are quite able to absorb their 45,000 of common Bars. Why should then the Company take advantage of recent legislation to ask for more duties on continental common bars which is imported by Iron Merchants at chief ports for the benefit of the common consumers who buy "WITHOUT ANY DEFINITE GUARANTEE" of quality and whose requirements of 192,000 tons they are not able to meet. For their protecting their superior stuff of 45,000 tons they ask for exorbitant duties on common stuff of 192,000 tons. In our opinion Government as the protector of the poor ought to resist the present request of the Company. It is true that they are bound to give them further relief by the recent legislation if there is fall in the import prices. But our submission is that the Board when it fixed Rs 140 as the basis price for common bars took mostly then ruling British price into consideration. Only some importance was given to Continental prices (paragraph 45). The British price for Bars at the end of 1923 was £11 2 6 while at present it is £10 5 0 so that there is not much fall in the British prices. It is true that Continental price for bars has fallen from £7-10 0 in December 1923 to £6 15 0 at which prices they are at present being imported. Our representative had anticipated this fall and had told the Board that "Unless you raise the tariff to 75 per cent you will not be able to meet the Continental competition" (p 623). In spite of this the Board wisely fixed Rs 140 as the basis taking the then ruling British price into consideration. Besides Mr Peterson in his evidence has ungrudgingly admitted that their sale price are based on British prices received by cable from their London office (p 437-38). Mr Tatwiler also says "We have to sell in competition with Great Britain" (p 438). All these clearly prove that their competition is not with Continental and therefore their present request to impose additional duties on common bars should be granted only if the Board is convinced that there is really a lasting fall in the British prices and the relief should be given to that extent only. If they take present Continental import price into consideration and recommend further duties accordingly we are afraid there would be a further addition of Rs 40 which would be about 100 per cent. The Assembly agreed to this protection as they were told that the burden on the consumers would be only 33 per cent on bars, they now know that it is going to be trebled, they would rather give bounty if they are again consulted. Government would not be morally justified in using their powers to levy the heavy burden of which the Assembly has no idea. It would be misuse of their powers and we hope Government will protect the interest of consumers. Even the Tata Coy never asked more than 33 per cent which is fully given on common bars. If additional protection is necessary we suggest that it should come by way of bounty and not by additional duties since the output is only 25 per cent. of the Country's requirements. To tax 75 per cent of the excess

coming in, it would be unnecessarily penalising consumers and give income to Government without Assembly's direct sanction. If there is any legal difficulty in giving bounty at present and if Tata Co's want is urgent let them advance the necessary help from duties collected in anticipation of sanction.

Our other suggestion is that Tata Coy should reduce their output of bars to the orders that they can profitably execute as they have done in the case of pig iron. Let them divert that steel to other articles. They should not persist in an unequal and absurd competition with Continental bars which will saddle the Country with an additional burden of 60 lakhs of Rupees at Rs 40 per ton on 150 thousand tons of excess Bars which they cannot supply and have to be imported for Country's requirements. The Country has already agreed to a burden of Rs 45 lakhs on this article out of patriotic motives. Let them not tax that patriotism too much. The country feels for the Company. Let them now feel for the country and desist from asking further duties on common bars used by common consumers. As suggested above they should reduce their output. Let them know that the Continental works are not out to crush them. They too like them, are over producing and cutting prices to get possible orders. They are losing about 20/30 shillings per ton and their Government is not helping them by bounty or subsidy. These are difficult times for all. Even we merchants are losing heavily since this Tariff question has cropped up. Our trade is disorganised, our stocks are accumulating. Our bars now imported cost us £ 7-10-0 and we are obliged to sell them at a sacrifice of Sh 20/25. Additional duties will not give us benefit on our present stocks as the experience of June last shows. It may temporarily raise prices but will scare away customers and to attract them we shall have to cut down our prices.

Either Tata Coy should reduce their output or we shall stop or reduce importing bars with the result that on account of scarcity consumers will have to pay exorbitant prices. On account of rumours that Tata Coy was going to ask for higher duties, our merchants have cut down their imports by about 50 per cent and great uncertainty and anxiety prevail as regards the future course of business. Our merchants are inclined to suspend business till the question is settled and if new duties are levied we shall either stop dealing in bars or control its import. This is our chief article of trade and the Board, the Government and the Country ought to realise the penalty they are going to impose on people for the sake of giving interest to a company with a capital of 12 crores. We would rather suggest that Government should buy up the Company and run it themselves and recover their loss by heavy duties on all steel imports for a number of years rather than dislocate trade, penalise consumers and keep this hanging sword of offsetting duties for ever on the trade and the consumers. We do not plead for our benefit. We are Commission Agents and pass our burden on to consumers. We are in more direct touch with consumers than anybody else and hence we plead for them and protest in their name and hope the Board the Government and also the Tata Coy will understand that if they levy additional duties on common bars they will put a burden not on us but on consumers.

The real fact is that Continental steel has been always cheap even in pre-war days. It drove away British Steel from the Trade since 40 years and where British Works could not compete it is preposterous on the part of Tata Company with American plant and American management to compete against Continental steel. They must either copy Continental methods or give up competing with it. It is only now that they realise for the first time that the Continental steel is a competitor. They always thought of British steel as competitor and thought by taxing its import the orders of British steel will go to them. People who asked for British standard steel did so in order to patronise Home-made steel. As soon as steel is reduced the motive of patronage has disappeared and the Engineering Firms would naturally go in for cheap Continental steel. In absence of any propaganda work from Tata Company the country has not developed that Swadehi feeling and Indian buyers are not insisting on buying Indian steel even at a higher price as was done in the case of British steel by British Engineering Firms. The insistence of British Standard steel from Continental import will not help the Company. Continental works are ready to guarantee that standard without asking higher price. In fact in case of rails they are guaranteeing it and yet British steel rails are being bought by our Railway Coys in order to patronise Home industry. I hope my Association has said enough to help the Board and our representatives who appear before you will be ready to give further help to understand the difficult question.

As regards reduction of price on account of low exchange we are not benefitted by it. We suffer in our existing stocks. We rather plead for stability. We suggest that as Government is making money by exchange let them compensate Tata Company from their profits.

As regards other articles their imports being not so large as bars further necessary duties if that can help Tata Company. But on orders for Plates do not come to them from upcountry trade. Which article? Channel and light railed are not our articles of trade. We $\frac{5}{8}$ " and $\frac{3}{4}$ " size as the Company do not roll this at ordinary price it is taxed. Angles, Tees and Joists would be replaced by wood if further bring to the notice of the Board the case of Rods and Hoops $\frac{1}{4}$ ". The the Tata Company while for the former their extras are Rs 50 per stock them nor do they roll in large quantities except for orders. The higher duties on these and the Board should make the matter clear as authorities may take them along with the bars as it is in the present half-round and Octagonal bars ought to be exempted. The length is justified by the seriousness of the question for the trade and com

BOMBAY IRON MERCHANTS' ASSOCIATION

n—ORAL

Oral evidence of Mr. Jagjivandas Odhavji Ganatra, recorded at Bombay
on Thursday, the 23rd October 1924

President—I do not know whether you have been present at any of our meetings within the last two or three days?

Mr Jagjivandas Odhavji—No

President—In that case I must repeat my explanation of the scope of the enquiry with which the Board has been entrusted. You have made a suggestion in your letter—and similar suggestion has been made by other witnesses—that, instead of putting on an off setting duty, the additional assistance required by the industry should be given in the form of bounties or in some similar form. I have nothing to say against this suggestion, but it is outside the scope of our enquiry. What took place last year when the Board were considering what they ought to recommend there were two alternatives. One was to make the original duties so heavy that there would be an ample margin for contingencies, and the protection given would still be adequate, even if there was a substantial fall in the price of steel. The objection to this was that it might mean taxing the consumer much more than was necessary. As it turned out the Board made a different recommendation, and proposed the imposition of duties which were thought to be sufficient to give the protection required if prices remained at the level at which they were in the latter part of 1923. The Board expressly said that, if the prices fell substantially, then it would be necessary to impose additional or off-setting duties. The recommendations made by the Government of India to impose these additional duties. The recommendations were made were accepted by the Government of India and approved by the Legislature, and eventually became part of the law. The Steel Industry (Protection) Act placed on the Statute Book the duties we recommended, and it also delegated to the Government of India the power to increase the duties, if they were satisfied, after such enquiry as they considered necessary, that steel was entering India at such a price as to render the operation of the Act ineffective. The Tata Iron and Steel Company claim these circumstances have arisen, and that steel is in fact entering India at prices much below the prices which the Tariff Board anticipated. The Government of India have asked the Tariff Board to advise what action should be taken under the provisions of the law empowering them to increase the protective duties. That is what we have to enquire into. It is quite open to you to hold that there are better ways of doing the thing, but for our purposes these questions are at present closed. We cannot go into the discussion again of matters which were perfectly legitimate subjects for investigation when we made our first enquiry.

Mr Jagjivandas Odhavji—Is it not within the scope of the enquiry to suggest ways and means to make the Act effective?

Mr Ganatra—The Act itself makes only one provision and that is this—
“If the Governor General in Council is satisfied, after such enquiry as he thinks necessary, that articles of any class liable to duty under Part VII of the Second Schedule are being imported into British India from any place outside India at such a price as is likely to render ineffective the protection intended to be afforded by such duty to similar articles manufactured in India, he may, by notification in the *Gazette of India*, increase such duty to such extent as he thinks necessary either generally or in respect of such articles when imported from or manufactured in any country or countries specified in the notification.”

President—For the reasons I have given, it is not for us to consider alternative suggestions for giving assistance to the industry in any other way, but only what additional duties can or ought to be imposed and on what classes of material they should be imposed, and so on.

Mr Jagjivandas Odhavji—I see

President—In the first page of your representation there is one small correction that I wish to make. You say the quantity of common bars imported into India in 1923 was 192,048 tons. That is for the financial year 1922-23. The imports were a little lower in 1923-24, 172,000 tons. The year 1923 was a period when imports were comparatively low after the heavy imports of 1922.

Mr Jagjivandas Odhavji—Yes

President—Then you say "Tata Company's aim has been from the very beginning to cater for those who use British steel 90 per cent. of their products are certified as of British standard by Government Inspector" Well, I think Mr Mather will be able to tell us about that as he has to certify

Mr Mather—It approximates to that

President—If that is correct, there is no more to be said about that Then you say "The Company has never in the past made any effort to cater for the trade and the trade on its part has never tried to interfere with efforts of the Tata Company to supply buyers of British steel bars" As you know, up till about a year ago, the Jamshedpur production of steel was entirely from the old plant which meant about 130,000 tons a year You also know that the Greater Extensions have been constructed and the Company hope that eventually these extensions will enable them to increase their output to 400,000 tons Is it not likely, when the Company's output is increasing, that in order to sell their steel they may have to compete in new markets? Is not that very natural?

Mr Jagjirandas Odhary—We deal only in Continental materials not of British standard, but Tatas from the very beginning, when they started the industry, have made a point to compete with British standard which is generally used by Government and semi Government departments So virtually their greatest customer was Government and not the common consumer

President—That is what they were aiming at from 1912-13 up to 1915-16 or 1916 17, but when they decided to construct the Greater Extensions and treble their output, the whole position changed, and I am afraid you are not entitled to say that they intended to cater for the same kind of customers as before?

Mr Jagjirandas Odhary—But that was for war materials

President—I don't think they had much hope of completing the extensions before the end of the war

Mr Ginwala—Whatever the position might have been then, if it is found that Tatas cannot find a market for the whole of their output except by competition against Continental steel, the question arises whether they should be assisted or not The country has decided that steps should be taken to establish the steel industry in India Therefore the industry must have a market Formerly, we assume, a market was available but now the market is becoming contracted, owing to the fact that the gap between Continental and British prices has become much wider, and people who are not willing to pay a high price for British are going in for Continental steel, and therefore the market is disappearing for the industry Is it not incumbent on the country to bring the industry into that market?

Mr Jagjirandas Odhary—We want such duties as would make foreign imports prohibitive, not smaller duties. The difficulty would be this Tatas produce almost on the average one fifth of the country's requirements for the rest four-fifths we have to go outside in any event The point is this that these duties are meant to afford protection to the steel industry of India The Legislature laid down certain principles that it is in the interest of the country that protection ought to be granted and provided that those who acted otherwise and against the interest of the country, by purchasing foreign goods shall be penalised or punished in the way of heavy penal duties These duties were sanctioned by the Legislature for duly enforcing the principle of protection enunciated for the subjects It ought not to be a source of revenue for the Government

Mr Ginwala—You cannot help it for a certain time.

Mr Jagjirandas Odhary—We say that Tatas, productions are of the British standard for which we are penalising the common consumer Their main customers are Government and semi Government bodies We must see what the Indian Stores Department are doing We should ascertain figures from June 13th to October 1924 as to the orders which were placed outside India for articles produced in India by Government, Railways and other semi Government departments before present duties be enhanced

President—That is definitely going into questions which I said the Board cannot consider

Mr Jagjirandas Odhary—I say that consumers are being penalised, but what about officials?

President—Your argument proceeds on the assumption that the Legislature has sanctioned protection to the steel industry on the basis that it should compete with British steel and not with the Continental I want to read to you an extract from paragraph 32 of our Report, "The object in view will not be attained if steel manufacture in India

continues to be the monopoly of a single firm, for, unless there is internal competition within the tariff wall, the stimulus to economical production disappears. It is far from an extravagant ambition that within fifteen or twenty years India should be able to provide the whole of her domestic requirements of most kinds of steel, and should be able to produce at as low a cost as other countries." The proposals of the Tariff Board were put forward on the basis that the goal to be aimed at was that India was to be self supporting in the production of steel. It was the definite object that, as soon as may be, these imports of Continental steel should disappear. It was on that basis that protection was sanctioned not only on the basis of British steel. How are you going to encourage the investment of more capital in steel? How do you expect any capitalist to put up his money unless he feels that his investment is safe? That can only be done by giving a price which will leave a margin of profit. The Legislature found that Rs 180 should be that price and that the only method by which it could be done was by the imposition of additional duties.

Mr Jagjivandas Odhavji—It all amounts to this that the difference in the price is to be met by the imposition of an import duty. How are they benefitted in this way?

Mr Ginnala—We found in our first inquiry that steel was coming into the country at Rs 140, and we were of opinion that Tatas should get Rs 180. We therefore recommended Rs 40 duty, the difference between Rs 180 and Rs 140. Now if we find that steel is coming into the country at Rs 100 and if Tatas have to get Rs 180, should we not increase the duty by Rs 40?

Mr Jagjivandas Odhavji—You had before you British and not the Continental price when you took the price at Rs 140.

Mr Ginnala—According to our calculations steel was coming into the country at Rs 140. Assuming that we were also absolutely wrong the main idea was that Tatas were to get Rs 180. If you can devise the means by which Tatas can get Rs 180 otherwise than by the imposition of an additional duty without offending against the law, we shall be glad.

Mr Jagjivandas Odhavji—As I understand, Tatas must come into competition with the Continental steel and any difference in price can be made good, by paying Tatas such money on their production as would enable them to realize their price, from the additional duties on goods that the country may have to import from outside as a matter of course and necessity.

Mr Ginnala—That is not a proposal which we can entertain at present.

Mr Jagjivandas Odhavji—The thing is that money must go to Tatas, and not be a source of revenue. Otherwise the result will be that Tatas gain nothing and country be punished to help the revenues of the Government.

President—The Government are entitled to regard the revenue from the duty as something of a windfall and it is not likely to be repeated in the same way.

Mr Jagjivandas Odhavji—I think up till August there was something like Rs 40 lakhs from the additional duty.

President—It may be so.

Mr Jagjivandas Odhavji—It means that consumers are penalised for nothing and Tatas get no assistance.

President—Up to date the consumers have not been penalised.

Mr Jagjivandas Odhavji—Because there is a stringency in the money market and therefore we are underselling. In fact we are losing Rs 20 a ton, even with the added duties.

President—I must start from the point from which the discussion started. As the Jamshedpur production of various classes of steel increases to 400,000 tons they have to compete more and more with Continental steel. That has been recognised always. It may not apply to rails, but it does apply to other classes of material. You say that the trade never interfered with the Tatas' supply to buyers of British standard material, and that the trade also allowed the Company without protest to capture Upper India markets on account of concession in railway freight. These two classes of customers are quite able to absorb their 45,000 tons of common bars. At the time the Board were making their enquiry last year the difference between the prices of Belgian and British steel was something like £1-13 0. What is the difference in price between Belgian and British bars to day?

Mr Jagjivandas Odhavji—30 to 40 shillings.

President—The information we had from three important firms is that it is £3-5-0 to £3 10 0 now.

Mr Jagjivandas Odhavji—Generally it is £2

President—I am not talking of the general difference. The present difference is over £3, you may take it from me. When you get a wide difference in prices like that don't you think that a good many consumers of British standard steel will say "we are not going to pay £3 extra to get British standard quality. We are prepared to pay something extra but we are not prepared to pay so much extra." What is the consequence? The prices that the Iron and Steel Company get is governed by the price of Continental steel.

Mr Jagjivandas Odhavji—I agree

President—It may be true that the Upper India markets and the other consumers you mention can take the 45,000 tons of bars (though I think this is very doubtful) but they won't take them at Rs 180 a ton, if they can get bars at Rs 140. That is why we cannot ignore the Continental price. Even supposing it was true that, at the time of our last enquiry, they could sell practically all their output to purchasers who wanted British quality steel it is no longer true. Owing to this wide gap between the two prices—and surely that comes within the wording of the section of the Act—steel is coming to India at such a price as to render the protect on intended to be given ineffective. That is the situation we have got to deal with.

Mr Jagjivandas Odhavji—What will be the situation if the prices of British steel go high and when there is not this wide difference between the prices, i.e., if Continental prices remained the same and if British prices go up?

President—I do not think that British steel will be imported into India at all in that case. We may leave it at that. You say "The British price for bars at the end of 1923 was £11-2-6 while at present it is £10 5 0, so that there is not much fall in the British prices." You say a little lower down "our representative had anticipated this fall and had told the Board that 'unless you raise the tariff to 75 per cent you will not be able to meet the Continental competition. In spite of this the Board wisely fixed Rs 140 as the basis, taking the then ruling British price into consideration.'" Do you mean that we were wise to reject the advice of your representative?

Mr Jagjivandas Odhavji—We anticipated these low prices of Continental steel. What we took it to mean was this

President—I do not want to put a wrong interpretation on your words. Your wording rather suggests that the Board was wise in not adopting your representative's suggestion. However it is a minor point. I shall read one or two relevant passages from the Report. You remember this paragraph which gives the estimate of prices at which steel was coming into India. These are the various prices we took as the basis of our recommendations. We mention "The other components of the Indian price—freight, insurance, landing charges, etc.—are based on the quotations in the Monthly Market report, August 1923, for the kinds of steel in question." This figure of Rs 140 a ton is not only the c.i.f. price, but includes an allowance for landing charges, cartage to the godown and port dues, etc. You have got to take something off Rs 140. That might bring it to Rs 135. Do you think Rs 135 (or £9) was the British price? You yourself quote the British price at that time at £11-2-6, though I do not accept that price.

Mr Jagjivandas Odhavji—That seems to be a mistake. It cannot be more than £9

President—But we do not say that it was the British price. We have said that we gave some weight to the Continental prices. It was something between the two. Rs 140 was never taken on the basis of the British price. At the same page you say "Besides Mr Peterson in his evidence has ungrudgingly admitted that their sale prices are based on British prices received by cable from their London office." Possibly you are referring to Mr Tutwiler's statement, but I do not find any such statement by Mr Peterson at page 437. "Mr Mather asked—How do you ascertain c.i.f. British prices, Mr Peterson said—We ascertain from our representatives in London by cable." He merely said that was the way of ascertaining the prices. I do not think these passages in the evidence were ever meant to refer to the whole of the Company's sales, but mainly to their transactions with the engineering firms. At any rate the Board never understood that the Company did not sell steel in competition with Continental. It was doing so last year, although these rates were much less important then. Your next argument comes under the ban and I am not going to discuss it. On the next page you say that Continental works are not out to crush the Indian manufacturer. "They too are over-producing and cutting prices to get possible orders. They are losing about 20/30 shillings a ton." We asked Mr Trivedi about it this morning. He was able to show us some letters he had received from London. Does your information come from similar source?

Mr Jagjivan Das Odhary — We took the cost of coal, manganese etc., and estimated that the cost cannot go below £8

President — Do you know the rate of wages? How can you calculate the cost of production without enquiring into the rate of wages and the number of workmen the employ?

Mr Jagjivan Das Odhary — My opinion is that it cannot come under £8

President — Is that merely a conjecture?

Mr Jagjivan Das Odhary — I think I read it somewhere in the Ironmonger's Journal. I cannot say exactly now

President — It may be correct. I wanted to be sure whether you had any definite information from Belgian sources?

Mr Jagjivan Das Odhary — Certainly not. Sometime before I had some letters I think, where these agents complained that works were underselling to get more orders and they were selling below their cost of production

President — You think you may have read that?

Mr Jagjivan Das Odhary — Quite probable. I am in correspondence with some of my agents in Belgium

President — Just below that you say "Our bars now imported cost us £7-10-0 and we are obliged to sell them at a sacrifice of 20/25 s." When you say "our bars now imported" do you mean those that have already been imported or those that are coming from the Customs at present?

Mr Jagjivan Das Odhary — They are already here. We are under-selling what we have in stock

President — Is that due to the accumulation of stocks, or are you unable to wait for the rise in price?

Mr Jagjivan Das Odhary — In anticipation of profits on account of a rise in the duty they did not like to sell for some time. Soon after on account of the slump in the market they could not sell. Moreover stockholders had not the capacity or strength to hold on. There was no buying and somehow they required money and they had to undersell. The stocks are not too high but they are somewhat high

President — Can you tell us what you think of the stocks of bars at present?

Mr Jagjivan Das Odhary — Bars in Bombay must be about 25,000 tons

President — Mr Trivedi gave us a higher figure

Mr Jagjivan Das Odhary — It cannot be less than 25,000 tons in any case. I think it may be between 25,000 and 30,000

President — Are substantial importations likely in the next two or three months?

Mr Jagjivan Das Odhary — I think so

Mr Ginnela — What do you think the indents will be for the next four months?

Mr Jagjivan Das Odhary — Indents I think will be about the same—25,000 tons up to January

President — Are these about what they normally would be in the cold weather?

Mr Jagjivan Das Odhary — About 6,000 tons a month is the normal importation in Bombay in cold weather months. We begin business in July and in August we do some business and that is for shipments in September and October. July and August is just the time to begin business, and at that time we do commit ourselves almost up to January. January goods we may receive up to the end of February or beginning of March. Our difficulties are so great, because we did not anticipate these duties

President — You would have been wise if you had anticipated them. If you had read our recommendations and seen how prices were moving, I do not think it needed any special gift of prophecy

Mr Jagjivan Das Odhary — We expected some change but not so early, just within three months of the passing of the Act

Mr Ginnela — It is a little more than that

Mr Jagjivan Das Odhary — The bill was passed on 13th June and Tatas' present representation is dated 2nd week of September. Even then we thought that the Act would have some substantial trial. Two to three months is not a sufficient trial

President — Have a good many merchants lost heavily on these big importations?

Mr. J. J. O'Brien—Things didn't come to their expectations and everybody naturally is losing. We are losing Rs. 20 a ton that is the minimum.

President—They stood to make Rs. 25 a ton if their goods arrived in time!

Mr. J. J. O'Brien—Steel price did not rise. It only rose Rs. 2 to Rs. 3 and then the market came down.

President—Was there an excess of supply?

Mr. J. J. O'Brien—Supply came later I think.

President—Imports were very heavy in May, June, July and August.

Mr. J. J. O'Brien—Because we knew some protection was to be given all merchants tried to hurry up their orders before the duty was imposed.

President—I am afraid that they have not got that sense of warlike patriotism to buy from India all their requirements!

Mr. J. J. O'Brien—But they do not give us the things we want. They could produce Continental steel at economical prices.

President—Then lower down you refer to the fact that additional duties may temporarily raise prices but will scare away customers and to ensure them you still have to cut down on prices.

Mr. J. J. O'Brien—We are stopping our business now.

President—Then you say "The Board Government and the country ought to realise the penalty they are going to impose on people for the sake of giving business to a Company with a capital of 12 crores." The penalty that is going to be imposed on the people which the Legislature decided was that they should pay about Rs. 15's a ton. That was the intention of the Legislature. We quite realised what the penalty was.

Mr. J. J. O'Brien—These common folk rarely require these goods.

President—Rs. 15's just means what it meant last year when the Board came to the conclusion that it would not be a serious hardship to the agriculturists if steel cost him Rs. 15's a ton. I think where it was last year. All that has happened is that an unexpected windfall is not coming his way. Lower down on the same page there is a passage I am not quite sure that I understand. "People who asked for British standard steel did so in order to guarantee home made steel." As soon as that steel is received the motive of purchase has disappeared and the engineering firms would naturally go in for cheap Continental steel. That seems to imply that it was purely a sentimental motive that the engineering firms were buying British steel. I think it is entirely because as long as the difference between British and Continental prices was not very wide they were asking these steel quite freely at the equivalent of the British price. The reason that they cannot afford this and go for Continental is because of the difference in price, so that these find it impossible to sell to the engineering firms at anything like the extent they could formerly. The engineering firms go in for cheap Continental steel merely because the difference between the price of British and Continental steel is now great and they do not care whether the goods come from Lancashire or whether they come from Great Britain, they will pay higher price to obtain. Is not that reasonable?

Mr. J. J. O'Brien—Lower price is a natural inducement for buyers when it serves the same thing and same purpose. If British ones and Continental ones can equally serve their purpose, even if it is not entirely that buyers would go in for British machinery.

Prof. Dutt—The point is that, though they serve the purpose, yet some people do require to have the quality guaranteed and the information we have had from India was that there are a good many people who are prepared to pay something extra although they are not prepared to pay as much as Rs. 15.

Mr. J. J. O'Brien—We never have our talks with ask for British steel.

President—I think you yourselves have noticed from what India has plenty of consumers of this steel. I am referring to those consumers who are not consumers. Then you say you have "Continental works are ready to guarantee that standard without making any price." You say "The purchase of British standard steel from Continental import will not only be the Company." The information we have had from other witnesses is that they would charge Rs. 15's extra if they have to guarantee that the steel will be of the British standard. Do you think that they would give a guarantee without charging anything extra?

Mr. J. J. O'Brien—Then the goods are of the necessary standard and standard is not a matter of price but of quality.

President—You may require steel made in your own way. Is it not a fact that the Continental works if they give a guarantee that their steel will be of the British standard, charge a little extra?

Mr Jagjivandas Odhavji—Not to my knowledge.

Mr Mather—Have you actually had experience of getting Continental material with the guarantee that the steel would be of the British standard?

Mr Jagjivandas Odhavji—We never ask for a guarantee.

President—We might turn to the last paragraph of your letter. You say "But on their own admission, orders for plates do not come to them from up country trade. Why then penalise this article?" If they are getting below the price it does not matter from what class of consumers they are getting too low a price. You have got to increase the duty. If they do not get a reasonable price, from the engineering firms owing to a rise in the exchange, the necessity for the additional duty is just the same wherever the demand comes from.

Mr Jagjivandas Odhavji—Yes.

President—You then say "angles, tees and joists would be replaced by wood if further taxed." You mean if the prices are raised above Rs 180 a ton?

Mr Jagjivandas Odhavji—It is quite likely that consumption may be reduced if prices go high, and the demand for steel beams and other things may go down.

Mr Ginnwala—That point was considered when the price of Rs 180 was fixed.

President—You say "We want to bring to the notice of the Board the case of rods and hoops 1/8". Rods are classed in the Tariff schedule along with bars but not hoops.

Mr Jagjivandas Odhavji—They ought to come under different headings.

Mr Mather—Hoops are not in the protective part of the schedule.

President—There is no proposal to put any duty on hoops.

Mr Mather—We shall omit the words "and hoops".

Mr Jagjivandas Odhavji—They are not manufactured by Tatas?

Mr Mather—They are not manufactured in India and they are not covered by the protective duty. Taking then rods, in the present schedule rods and bars are treated alike. You say you would not like any additional duty put on rods. In that case how would you define rods for the purposes of the tariff schedule?

Mr Jagjivandas Odhavji—3/16" to 7/16" we call rods. 1/2" we call bars. These two ought to be separate. We get rods 1/8" and 1/16" also.

Mr Ginnwala—Your other suggestion is that Tatas should reduce their output of bars to the orders they can profitably execute as they have done in the case of pig iron. If you drive that argument to its logical conclusion they may have to close down the works. I do not think you can mean that at all. You might equally well say that, if they are unable to sell, they might as well close down.

Mr Jagjivandas Odhavji—At the maximum they will produce 30,000 tons of bars and not more. Including British bars and Continental—we import 1,50,000 tons. It is quite natural that 30,000 tons or thereabouts may be of British standard out of 1,50,000, so that they can produce bars of British standard and supply to those who require them to that standard.

Mr Ginnwala—The demand for that class of bars is steadily going down, owing to the big gap between the prices of Continental and British bars. Now nobody wants to buy British or Tatas' bars. Tatas have to sell in competition with the Continental. You may as well say that in that case they must close down this department. They must make something. You do not imagine, I think, that Tatas are manufacturing bars simply for the fun of making bars. You must assume that they cannot make use of all the steel they produce without manufacturing bars also.

Mr Jagjivandas Odhavji—It is not a very big quantity, but somehow they do not find buyers for it.

Mr Ginnwala—The Continental bars are cheap. If it does not pay to make them they may have to close down. That can't be for the good of the country.

Mr Jagjivandas Odhavji—That won't be a nice way.

Mr Mather—As far as I understand it, your motive for asking the Board to exclude rods is merely that Tatas ask for an extra price of Rs. 50 a ton for rods. Do you think that is a sufficient reason for keeping the duty lower because Tatas need a higher price?

Mr Jagjwandas Odhavji—I do not follow

Mr Mather—At the present moment there is the same duty on bars as on rods. You say that, even if it is found necessary to add to the duty on bars, the duty on rods should not be added. Therefore the duty on rods will become lower than on bars.

Mr Jagjwandas Odhavji—I think you have not distinguished in the Report between the quantity of bars produced and the quantity of rods produced, what is the percentage of bars to the percentage of rods. May I have this much of information?

Mr Mather—I do not think we have differentiated.

Mr Jagjwandas Odhavji—After knowing that we may be able to answer the question better. Here in this market rods are taken as a distinct commodity. It has got its own use.

Mr Mather—Perhaps you could tell us what is the market price of rods entering India now. Supposing at the present moment bars are coming at £6-10 0 c : f what have you to pay for rods?

Mr Jagjwandas Odhavji—£1-5s extra.

Mr Mather—You have to pay extra for rods. As you point in your letter, Tatas also charge extra.

Mr Jagjwandas Odhavji—We have to pay a greater price on rods and the same kind of duty for rods and bars without any discrimination.

Mr Mather—The fact that you have to pay an extra price for imported rods shows that it costs more to make rods. Therefore if it costs more to make rods than to make bars, it is reasonable that Tatas should ask you to pay more for their rods.

Mr Jagjwandas Odhavji—I think they are quite justified in asking for more money for rods.

Mr Mather—Why do you think that rods should not be fully protected if bars are? Why should we make this difference between bars and rods?

Mr Jagjwandas Odhavji—To keep them at a lower level.

Mr Mather—Why should we keep them at a lower level? If rods cost more why should not the consumer pay more?

Mr Jagjwandas Odhavji—We do pay more.

Mr Mather—But your suggestion is that you should pay a lower duty than on bars?

Mr Jagjwandas Odhavji—The point is whether the rods produced come up to the average requirements of the country. What is the quantity produced? If they produce quite an insufficient quantity, and the country requires more, it would be simply penalising the country for the small quantity produced.

Mr Mather—That is the same argument advanced as in the case of bars. Can you tell us, perhaps, what weight of rods is imported into Bombay in the course of the year?

Mr Jagjwandas Odhavji—About 5,000 tons a year into the Bombay market.

Mr Mather—Then you say "Similarly, half round and octagonal bars should be exempted." I think your reason is that Tatas have not in the past made sufficient quantities of these special shapes.

Mr Jagjwandas Odhavji—They have not produced sufficient quantity.

President—These half round and octagonal bars, can they be used only for particular purposes? Supposing we put a duty on the other kinds of bars and not on these, could not these octagonal and half rounds be used for the same purposes as other bars very often?

Mr Jagjwandas Odhavji—Yes.

President—In that case they compete.

Mr Mather—Octagonal could in many cases and occasionally half rounds. If the half round bars were Rs 50 cheaper than the ordinary round bars, in a lot of cases the man will use them.

Mr Jagjwandas Odhavji—But half round bars have got a specific use and in their place round bars cannot be used.

President—You were suggesting that half rounds could be used for rounds if the duty was Rs. 40 a ton. It might be more trouble and it might be worth while taking that trouble.

Mr. Jagjirardas Odhary —We do not think they can be used

Mr. Mather —I think it can be used in some cases. Certainly for a number of uses of round bars I could take half round if the price of the latter was Rs. 40 less. However, I do not know much more about it.

Mr. Jagjirardas Odhary —Mr. Bhagwandas wants to know whether there is any idea of putting an additional duty on galvanised sheets.

President —The only question that will come up there, is that if the exchange is taken at 1s. 6d. that might necessitate an addition to the duty on galvanised sheets. That again would depend on what is the present price of galvanised sheets. I have not examined that question yet, and I have not prepared any questions on that.

Mr. Jagjirardas Odhary —That is a business done in Bombay and I think they have started mills for galvanising and corrugating sheets.

Mr. Mather —Corrugating has begun but galvanising has not yet begun.

President —I do not think that Tatas have asked for an extra duty on galvanised sheets. That is all that I can say at present.

Mr. Jagjirardas Odhary —That remains unaffected.

President —I cannot say more than I have said.

Mr. Jagjirardas Odhary —We should have some intimation before a duty is levied.

President —It would frustrate the object of legislation if notice was given to you.

Mr. Jagjirardas Odhary —If any additional duty is going to be imposed.

President —Would importers like long notice to be given before the additional duties are taken off?

Mr. Jagjirardas Odhary —They would not like it.

11-44-2

Hence, we are submitting the following information in connection with the inquiry as to why an application for a license was not made by the applicant or if the Estate had sought it, if it did so, why it did not do so. Steel was imported into India and was sold at auction by the Government of Madras before the Pat. Board for their consideration.

We are, for this purpose, authorized by the Tata Iron & Steel Co., Ltd., to state that the following is the maximum duty on steel goods imported into India from any place outside British India:—

The Government will be obliged to bring to the attention of the Tariff Commission the fact that the fear has been expressed probably in connection with the proposed tariff reduction at the Tariff on Steel is to be raised by the Government. The Government will be obliged to Governor at the removal of

We do not desire to be understood as saying the fact that duty on Steel rails was imposed by the Government in the name of the Tava Iron & Steel Co. Ltd. Though the protective duty was imposed by the Government in the interest of the consumer, it has not at all taken the burden, as it was considered a necessary evil, and consequently, it is to be noted that even if the Steel Co. may have a long life and prosper, we are of the opinion that duty should have been imposed only on articles manufactured or used by the above mentioned Steel Co., but it could not have been the intention of the Government, the Protection to the Tariff Board or even the most interested party, viz. The Tava Iron & Steel Co., that the poor consumer should be burdened with an increased duty, and articles which are not manufactured by the above mentioned Steel Co. have been exempted from duty do not call for any protection. Now if such has been the case, we think it has been decided on articles which are not manufactured by the Tava Iron & Steel Co., which the Tariff Board should, in fairness to the consumer, take the present opportunity to recommend to the Government to remove the injustice formerly done to the consumer, particularly now that the consumer will be further burdened with further increase in duty. We are not here going into the question of the levy of protective duties or further increase in them, but what we are particular and anxious about is that protective duties should not be imposed on articles which are not manufactured by the Tava Iron & Steel Co. and which consequently do not require any protection, and if protective duty has been levied on any such articles, the same should be removed.

The Tata Iron & Steel Co., Ltd., do not manufacture the following articles on which duty has been increased as shown against each —

- 1 M S Bars Flat $\frac{1}{4}$ " to $\frac{1}{2}$ " or commercially called M S Cut Hoops $\frac{1}{4}$ " x 8"
Duty increased from 10 per cent to Rs 10 per ton
- 2 M S Bars Round and Square $\frac{3}{16}$ " to $\frac{7}{16}$ " commercially called M S Rods
Duty increased from 10 per cent to Rs 10 per ton
- 3 M S Plates of thinner gauges than $\frac{1}{16}$ " commercially called M S Sheets
Duty increased from 10 per cent to Rs 30 per ton
- 4 M S Plates $\frac{1}{4}$ " and $\frac{1}{16}$ "
Duty increased from 10 per cent to Rs 30 per ton
- 5 R S Joists of the sections $3" \times 1\frac{1}{2}"$, $4" \times 1\frac{1}{2}"$ and $4\frac{1}{2}" \times 1\frac{1}{2}"$
Duty increased from 10 per cent to Rs 30 per ton

In the Iron and Steel Trade the first two items have distinct nomenclatures to distinguish them from M S Bars, viz., M S Cut Hoops 4" and M S Rods 3/16" to 7/16" as noted above, and are quoted at prices much higher than that of M S Bars not only in the Indian

markets but in the European markets as well, while technically they are included in the terms "Flats, Rounds and Squares," and consequently they have been tarred with the same brush in respect of protective duty with which the ordinary bars, which only the Tata Iron & Steel Co., Ltd. manufacture, have been treated.

As regards item No. 3 the Steel Trade has a distinct nomenclature for them also to distinguish them from M. S. Plates and are invariably quoted at higher price than that of M. S. Plates. Though these are not manufactured by the Tata Iron & Steel Co. Ltd., yet because they are technically termed as Plates, duty has been increased on them.

As regards item No. 4, the Tata Iron & Steel Co. manufacture plates of the thickness $3/16"$ and up only. The plates of the $1/2"$ and $1/16"$ thickness carry higher price in India as well as European markets, but because they come under the term "Plates," though they are not manufactured in India, still duty has been increased on them.

As for item No. 5, though they come under the term R. S. Joists, they are not classed under "Basis sizes" which are from $5" \times 3"$ and up, but are termed as "extra sizes" in the Iron and Steel Trade, and are sold at higher price in India as well as European markets. The Tata Iron & Steel Co. manufacture only the "Basis sizes" joists and not the "Extra sizes" joists, but still because they are termed as joists, they are assessed at the increased duty.

The Tata Iron & Steel Co., Ltd., are manufacturing (1) R. S. Joists basis sizes, i.e., $5" \times 3"$ and up, (2) M. S. Bars basis sizes, i.e., Rounds and Squares $1/2"$ and up, and Flats $1/2"$ thick and up, (3) M. S. Angles, (4) M. S. Tees, (5) M. S. Plates $3/16"$ and up, and they have proposed a uniform or "basic" price of Rs. 180 per ton for them all. As a matter of fact on the Continent also there is practically the same price for all these five items as described above. But for the five items mentioned first, which the Tata Iron & Steel Co., Ltd., are not manufacturing, and which are of thinner gauge, there have always been higher prices than the basic price at which the abovementioned five items can be had at any time. For instance, if the price of R. S. Joists basis sizes was £7-10-0, the price of all the other four articles, i.e., M. S. Bars basis sizes, (2) Angles, (3) Tees and (4) Plates $3/16"$ and up were nearly £7-10-0 or a few shillings higher or lower; but the prices of M. S. Cut Hoops $1/2"$ and Rods $3/16"$ to $7/16"$ assorted, and Plates $1/2"$ would be between £8-10-0 to £9-0-0 while that of Plates $1/16"$ would be £10-10-0 to £11-0-0 and M. S. Sheets from £11 to £13-0-0.

Since these latter five items are outside the pale of "Basic price" and are invariably sold on the Continent at £1 to £5 higher than "Basic price" according to the nature of the article and since they are not manufactured by the Tata Iron & Steel Co., and consequently the question of their competition with the productions of our Steel Co. does not arise, there appears no reason why the consumer should at all be burdened with increased duty to any extent in respect of these articles.

If it be pleaded by anybody that the Tata Iron & Steel Co., Ltd., will manufacture these articles in course of time, in that case we would submit that they can then approach Government for increase in duty on these articles and as is well known they will not find it difficult to get Government to accede to their request. In the meantime there is no reason why the consumer should be burdened with increased duty on these articles.

Under the circumstances, we trust the Tariff Board will realize the justice of not only excluding these articles from their recommendation, if they decide to recommend further increase in duty, but will even see their way to recommend to Government the removal of increased duty on them in the interest of the consumer.

Trusting this representation will receive favourable consideration of the Tariff Board.

P S

Should you require any further explanation or information on any points regarding the above, we shall be pleased to supply you with the same, or if you desire our representative will be prepared to appear before you and give evidence.

Statement II — Letter from Messrs. Poonamall Brothers, Bombay, dated 25th October 1924

In view of the evidence given by the Collector of Customs before the Tariff Board yesterday, the 24th instant, we beg to supplement our representation, dated the 23rd instant, by the following facts regarding the assessment of duty at different rates according to the thickness or section of the same material.

Witness No 18

Messrs. TRIVEDI AND COMPANY

A - WITNESS

Letter from Trivedi and Company, Bombay, dated 20th October 1924

We are in receipt of your letter No 1029 of the 14th instant inviting our assistance in the inquiry into the application of the Tata Iron and Steel Company, Limited, for offsetting duties on certain imports of steel referred by Government to the Board. Below we give you the information required. Our representative Mr G B Trivedi would be glad to appear before the Board on any day convenient to it. Thursday 11 a.m. fixed by you will suit him.

(1) The following are the *c.i.f.* prices in sterling for each month from April to September 1924 at which the following kinds have been imported into India. The prices quoted are for Continental material only.

	April			May			June			July			August			September		
	£	s	d	£	s	d	£	s	d	£	s	d	£	s	d	£	s	d
(a) Common Bars	7	7	6	7	10	0	7	10	0	7	0	0	7	0	0	6	15	0
(b) Light Rails (Under 50 lb)	6	17	6	6	17	6	6	17	6	6	15	0	No invoices					
(c) Plates $\frac{1}{2}$ " Plates 3/16" and up				8	4	0	8	5	0	9	1	0	8	15	0	8	10	0
(d) Beams	7	2	0	7	2	0	7	5	0	7	10	0	6	17	6	6	17	6
(e) Channels																		
(f) Angles				7	12	6				7	13	0				6	15	0
(g) Tees													8	7	6			

Invoices will be shown to you if required in support of the above statement.

(2) Our merchant business is almost entirely in Continental steel in these articles. About 10 per cent of imported beams are British.

(3) The stock of plates, angles and tees and channels is below normal. Light rails are imported by only one merchant. There is a heavy stock of common bars and beams above normal. June, July, August and September are our slack season months when our import is very low and below normal. This year some London export merchants thinking that the new Tariff would not come in force till October sent out large parcels of bars on their own account for sale thinking that they would make profit if they arrived before new duties would be levied. As these were levied in June the parcels ordered for May, July, June shipments could not be cancelled and arrived here in June, July, August in double the usual quantity as stated by the Chairman of the Tata Iron and Steel Company at the Company's annual meeting. Besides, owing to shipping difficulties at Antwerp in April, April, May shipments were late and arrived here in June, July. These two causes combined to swell market stocks of bars.

(4) The present import freight of steel from Continent is about Sh. 15 per ton and last year it was the same.

(5) The Bombay selling price of steel, month by month, were as follows —

	May	June	July	August	September	October
Bars	132	144	141	138	135	135
Angles	145	160	155	145	145	145
Tees	150	165	160	150	150	150
Plates $\frac{1}{2}$ "	170	170	170	170	170	170
Plates 3/16" and up	160	165	160	155	155	155
Beams	145	160	155	150	150	40

We beg to hand you enclosed the statement of our Mr G B Trivedi.

X 159—22

*Enclosure I.—Extract from a letter from L. L. Crutcher & Co., London,
dated 23rd June 1924 to Messrs. Trivedi & Co., Bombay.*

Cables—Yours of 5th instant to hand.

Plates—Owing to the lateness of your reply, part of this parcel, viz., 10 tons $8\frac{1}{2} \times 4 \times 3\frac{3}{4}$ " had been sold. We have therefore informed you in ours of 23rd instant that we accept 10 tons each and accordingly enclose our Sale Note No. 934A herewith.

Rounds—We are pleased to get your acceptance subject to two monthly shipments, and accordingly we are able to book 125 tons and enclose our sale note.

Corrigenda—We were of course disagreeably surprised to hear that we shall lose on the recent parcels. The whole of this new duty is a mystery to us. On the one side we learn that stock holders in India are making fabulous amounts out of parcels recently received, on the other side we find that parcels we carefully bought in anticipation of this particular duty have had to be ruthlessly sacrificed. These parcels were bought of course for the sake of ourselves, and also of you and your dealers and we purchased them at fair prices. Surely there must have been big profits on the parcels which arrived before the duty was imposed and these ought to be more than enough to set off any loss on the parcels which came in after the duty, more especially as we find India paying the same prices now for large forward contracts.

Anyway, we have done our utmost recently in the way of free documents, and your commission account stands with us squared as you will see from the attached statement of accounts.

If there is anything more to come from us we shall have to wait until we get a return of the margins which Lloyds have kept back on our recent negotiations on you.

*Enclosure II.—Copy of a letter from L. L. Crutcher & Co., London, dated 28th
April 1924, to Messrs. Trivedi & Co., Bombay.*

We very much regret that it is again necessary for us to inform you that the position in Antwerp as regards shipment has become very serious.

The after effects of the German Dockers strike and the sinking of a steamer in the fairway of the River Scheldt has caused most of the already congested quays to become too full to take further quantities of material. Owing to considerable expenses which have been incurred by material having to be discharged at places other than those originally intended, some of the larger Works are now refusing to take shipping instructions for certain steamer berths.

As far as our orders are concerned, we have the matter of delivery well in hand, but in view of the considerable difficulties which are now apparent, it is evident that some delays are likely to occur.

Our agents at the port are doing everything possible to get materials on board and we hope that no serious delays will occur, either by reason of this congestion or that upon the Railways.

In the event of such delays, for which of course we cannot accept responsibility, we shall be able to obtain certificates if required.

We shall endeavour to keep you advised as to the exact position of your orders concerned and would assure you that everything possible is being done to avoid late shipment.

Enclosure III.—The statement of Mr. G. B. Trivedi.

My firm has submitted to you two statements of the Import and Local prices of Continental steel articles from May to October as required by you. The statement (B) submitted by Tata Iron and Steel Company giving quotations of Messrs. Baxter and Fell, London, is pretty correct. To bring it up-to-date I give prices for the remaining four months as follows:—

	24th July 1924.	24th Aug 1924.	24th Sept. 1924.	18th Oct. 1924.
Bars	6 18 0	6 17 0	6 12 6	6 9 0
Angles	6 18 0	6 17 0	6 12 6	6 9 0
Tees	7 10 0	7 7 6	7 2 6	7 0 0
Joints	6 14 0	6 14 0	6 11 0	6 7 6
Plates 3 16" and up	8 2 6	7 16 0	7 15 0	7 12 6

From the e it will be clear that the price of common bars was £7-0-0 in January last when the Board finished its enquiry and it is to be presumed that this formed basis of their recommendations. The price was steady up to July and our merchants have mostly made the purchases at prices ranging from £7-10-0 to 7-1-0. So that the bulk of the bars now coming in has cost them £7 to 7-10-0. It is true that recently there is another fall of 10s, but as merchants hold large stocks and have made contracts at the above prices they are afraid to take advantage of the present fall and bars to arrive below £7 will be very little in quantity. So that in considering the application for putting offsetting duties the Board will bear in mind that there is no big fall in Continental prices. The recent fall below £7 is due not to the desire of dumping cheap goods in India to crush the Indian works as some people seem to believe. For the present low Continental prices hold good for other importing countries like China and Japan, Australia and South America. The fact is that steel works all over the world are short of orders and specially so the Continental works whose Home demand is small unlike the United States and who have not possessions to absorb their products as in the case of Britain. These Continental works like our Indian works, at present have to sell at a loss of 20s or more to secure business to occupy their men if only for part time (Appendix A). They are restricting their output as the export business has not yet revived. The present low prices are not from German works. The competition is between Belgium and French and Luxemburg works (Appendix B). The Tata Iron and Steel Company are in a bad plight at present and the Government and the country should help them with orders. They are not getting enough of orders even by cutting down the prices. The situation on the Continent is the same since the last three months and works continue to sell at unremunerative prices to save the loss which would be entailed by total cessation of manufacture (Appendix C).

On the other hand the position of trade is not less serious. From the statement of local prices submitted by my firm it will be seen that by levy of fresh duties of Rs 27 p t on bars the trade has not benefitted. The prices should have gone up to Rs 159 from Rs 132 in May. The rise was of Rs 12 only instead of Rs 27. Since then the rise has disappeared and the prices are now on the level of May last, the effect of duty has disappeared. Thus, not only the Tata Iron and Steel Company are suffering but even our merchants are losing heavily. Besides, our merchants are always uncertain of the future and they consider that this power given to Government of putting offsetting duties is a constant danger to the trade and should be used with great caution. It hangs like a Damocles sword on their heads, hence most of them are inclined to stop or reduce their business as will be seen from the telegram sent by a Calcutta merchant to his Branch here on the announcement of the Tariff Board instituting the present inquiry (Appendix D).

This being the position of the Indian steel works and the Indian steel trade, the problem before the Board is a very difficult one for solution. The Tariff Board was conscious of the uncertainty of the future course of world prices and hence it recommended special powers to be reserved to Government to put offsetting duties in certain cases. But the difficulty is that Tata Iron and Steel Company originally and mainly asked for protection against British steel. Their steel is of British standard and hence they based their sale prices on British quotations received by cable from their London Office. They asked for 33½ per cent duty and this was fully granted on steel bars. The basis price was taken @ Rs 140. On 3rd January 1924 the steel bars were quoted as follows —

Continental £7 15 0

British £11 2-6

American £13 5 0 per ton c i f (Appendix E). In December 1923 also the British and American prices were the same. Thus it is to be presumed that the Tariff Board took £11-2-6 into consideration in recommending Rs 140 as the basis. The latest British price for steel bars on 2nd October 1924 was £10 5 0 so that there is only a fall of 17s 6d (Appendix F). In Continental price the fall is similar from £7-9 0 to £6 10 0. Such a fall is not unusual in the trade and cannot be considered as sufficient reason for disturbing the trade by putting fresh duties within four months. By the time they are levied the Home prices may go up by 5s to 10s and the trade would then be justified in asking for taking off duties. Thus in my opinion there is not great fluctuation in prices of steel bars to warrant levy of additional duties. Tata Iron and Steel Company are not justified in making a comparison between the price of Rs 140 with the present low price of Rs 90 at which Continental steel bars are now imported free of duties because they overlook the fact that Rs 140 was the British price not Continental.

If circumstances have changed and if they have to meet mainly the Continental competition a fresh inquiry should be instituted by the Board as to the extent of the protection required and whether the country ought to bear a heavier burden. Continental

competition is very powerful. Forty-five years ago it drove away British steel bars from the Indian market. Its price touched a low figure of £5 5 0 per ton c i f in July 1914, it ranged between £5 to 7 in pre-war days. So it will be seen that the Continental competition is not a temporary passing phase. It is a permanent thing and if the Indian steel is to be protected against it, duties ranging from 60 to 100 per cent shall have to be levied. Let the question be examined afresh and the Assembly give its assent. It is not a case of offsetting duties. It is a case of protection against Continental steel not considered in all its bearings last year. The case of other steel articles is the same as the fall in their case is to the same extent.

The other reason for asking offsetting duties to be put is the fluctuation of exchange. This is real cause and Government ought to compensate the Company to the extent of 12 per cent which is the fluctuation of exchange. But as Government are believed to be manipulating exchange and are making money thereby to the detriment of trade, this compensation be made by bounty from their profit of exchange or from surplus duties on steel due to heavy imports in the last three months as per figures given by Mr. R. D. Tata at the annual meeting of the Tata Iron and Steel Company. There is no justification for levying this burden on the trade for the trade loses by high exchange in the value of the stocks held. The trade wants stability. Sir Purshotamdas is pressing Government but they refuse to move. Let them therefore come to the help of the Steel Company, for circumstances which have been created by them and not by the trade.

The present position of the Tata Iron and Steel Company is a serious one and although the trade resists any further imposition of fresh duties on steel imports, it is not averse to help being given by Government by other means. These means are two. The real want of Tata Iron and Steel Company is orders not duties. Even with additional duties their difficulty of sale will remain. Government can help the Company by sending all their orders and the orders of Provincial Governments to them in the first instance and only when they are unable to execute them they should go out of the country. They can similarly use the influence with company managed railways to place all their steel orders in the country. These companies may resist but as Government hold 90 per cent of the capital they can bring pressure on them. If these two big customers are secured to them the balance of their steel will be taken up by engineering firms and the Upper India markets. At present they are obliged against their expectations to go to our markets who import cheap Continental steel with which Indian steel cannot compete. The import of bars was 192,000 tons in 1923. The Tata Iron and Steel Company roll at present 30,000 tons. Is it right to deny to the country the use of cheap steel by unnecessarily taxing the excess quantity required. The second way is to give bounty to the extent of Rs. 60 p t to enable the Company to sell their steel at Continental prices. The bounty may be given from the surplus Customs revenue derived from the new tariff or it may be given by the vote of the Assembly at a special session or in anticipation of their sanction and if any additional duty is necessary in case there is no surplus, the trade would be glad to bear it in the interest of such an important national industry.

APPENDIX A.

Copy of a letter from Ironside, Limited, London, L.C. 3, dated the 31st July 1924.
to Messrs. Trivedi and Company, Bombay

Market Report

Steel—Prices are if anything a little firmer, and Works are not now cutting prices so keenly as they did a few days ago.
With regard to **Steel Bars** it is estimated that the price at which Works sold would be at least 20 per ton under cost of manufacture and it is not to be wondered at that since they have obtained sufficient business to enable them to occupy their men, if only for part time they should not go on selling at the recent low levels. There were plenty of buyers at the price which Works were willing to accept last week, and big quantities have been refused by Works during the past few days.

Galvanized sheets—The market remains firm, and there is more enquiry. Manufacturers give no concessions in price.

Steel Tees—The demand continues, and prices are advancing.

Steel Sheets—The demand continues for these goods, and Works are keeping better supplied with orders.

APPENDIX B

Metal Market Report

September 23rd, 1924

The Continental works continue to restrict their output as the export business has not yet revived. On the other hand, there are many signs of an improved demand in the German Home Market, which is, after all, the biggest factor for the German Works. The present low prices emanate mostly from Belgium, Luxembourg and French Works and not from German Works.

I am quoting to day as follows —

Continental Basic Steel Bars and Angles

Do do Rods

Do do Tees

Do Joists

Do Plates 3/16ths and up

Do Plates 1/2"

Do Sheets 2—5

Do Sheets 6 to 8

Do

£	s	d
6	15	0
7	15	0
7	0	0
6	12	6
8	0	0
8	10	0
9	15	0
11	15	0

APPENDIX C.

Copy of a letter from Ironside, Limited, London, E.C. 3, dated the 28th August 1924,
to Messrs. Trivedi and Company, Bombay

Market—The general situation remains very quiet. There is not a great deal of business moving, and manufacturers can do with further orders.

With regard to the future course of prices, it is impossible to say what will take place. The majority of people believe that the bottom has been touched, as at to day's figures it is impossible for works to make any profit. In fact, they are making losses and it is only on account of the fact that if they close down the Works, capital charges are incurred which represent a given sum per ton, and rather than close down the Works, the manufacturers carry on provided that the loss in selling the goods does not exceed the loss which would be entailed in a total cessation of manufacture. The demand is far from satisfactory and at times of writing business is very sparse.

Galvanized Sheets—There is not a great deal of business moving in this article. Manufacturers are firmer if anything and will not consider shading prices at all.

Steel Tees—These are once again becoming difficult to secure, and prices are firming up

Steel Plates and Sheets—Works want orders for these goods, and consequently prices are shaded.

APPENDIX D.

*Copy of a telegram from Madho Ram to the Iron Merchants Association, Bombay,
dated the 15th October 1924*

Further protection duty will be surely increased from 1st November on Bars, Tees, Angles, $\frac{1}{8}$ th plates and Over Beams Purchasing totally Iron Business most dangerous now

Messrs TRIVEDI AND Co

B—ORAL.

Oral evidence of Mr G. B Trivedi, recorded at Bombay, on Thursday,
the 23rd October 1924

President—I think I must begin, Mr Trivedi, by apologising to you, because I am going to inflict upon you the same harangue that I delivered on previous occasions, and the reason why I am doing so is this. It is of some importance that the public generally should realise what the scope of the Board's enquiry is. We have not been very successful in getting them broadcasted through the columns of the newspapers to the public, and I shall be greatly obliged if the gentleman of the Press take this down and see that it is published, because it is important, as I said, that the public generally should know what it is we are asked to do, so that there may be no misunderstanding and confusion. The position is just this, that the scope of the enquiry which the Board is now carrying on is limited. Last year in their Report the Tariff Board recommended to the Government of India the imposition of certain duties on various classes of steel, which we thought were sufficient, and only just sufficient, to give the protection which we thought was necessary, if prices remained at the level at which they were in the latter part of 1923. We recognized that our anticipations as regards future prices were liable to be falsified, and that it was quite possible either that the prices might rise above the 1923 level, or fall below it. What we recommended was that, if the prices rose the duties recommended should nevertheless continue in force for the full period of 3 years, but that if they dropped—and we made it clear that the reason for the fall made no difference, whether it was a rise in the exchange or a fall in the Continental or British sterling price—we recommended that the situation should be dealt with by the imposition of an additional duty, an off-setting duty as we called it, so that the protection given should continue to be adequate. The measure of the amount required was the average price of Rs 180 a ton for certain kinds of steel (Rs 175 for structural shapes) which the Board considered the Indian manufacturer of steel must receive, if the industry was to become firmly established. The only alternative plan the Board could have adopted was to put the original duties imposed by the Act at a much higher figure, leaving an ample margin for contingencies, so that even a substantial fall in the price of steel would still leave the protection given adequate. The reason why that plan was not adopted was a desire that the consumer should not be taxed more than was absolutely necessary. The plan recommended by the Board was approved by the Government of India, accepted by the Legislature and embodied in the Steel Industry (Protection) Act. That Act delegates power to the Government of India, if it satisfied that steel is being imported into India at such prices as to render the protection given by the Act ineffective, to increase the duties fixed by the Act. What the Board have been asked to do is to advise the Government of India what steps, if any, should be taken to give effect to the intentions of the law. They have not been asked to advise whether assistance should be given to the industry in a different form, by way of bounties or subsidies or by a ruling that all Government orders should be placed with the Indian manufacturers, or whatever alternative plan there may be. For this reason the scope of our enquiry is very limited. We are bound to assume that the power to increase the duties was given with the intention that it should be exercised when circumstances justified it, and for this reason the Board cannot enter into a discussion of theories which imply that the power ought not to exist, or should not be used, or should only be used very rarely. For that reason it is not possible for us to discuss with you certain matters in the representation you have placed before the Board. It is perfectly open to you to bring these views to the notice of a competent tribunal, but the Board are not the competent tribunal in this case.

Mr Trivedi—In paragraph 33 of your Report you have said, "If the rate of protection requires revision because of changes in production costs, that is clearly a matter which should be settled by the Legislature after a full enquiry." I submit that there has been a change in production cost on account of Continental competition coming in.

President—The production cost we referred to there is what it costs the Indian manufacturer (i.e., the Tata Iron and Steel Company) to manufacture steel at Jamshedpur. It has nothing to do with the cost at which steel comes into the country.

Mr Trivedi—What I mean is this. When you examined the production cost it was Rs 106 and 95 for bars when the bigger extensions came into force in 1926. Now, in my

original evidence I had given my opinion that Continental steel entered India before the war at £5/10. The Board has also recognised this price, but the Board took into account only the British price and not the Continental price. I had said that if you want to give protection against Continental steel you shall have to put up a duty of 75 per cent. This trouble has come because neither Tatas nor the Board ever thought that that time will come so soon when that point will have to be taken into consideration. So the question will have to be re-examined afresh, their production cost whether it is right or wrong, or whether they should be allowed to produce bars at a price more than the Continental price and what will be the burden on the consumer. You did not contemplate these, that is my submission.

President—In the first place, Mr. Trivedi, you are assuming a good deal as to what the Board thought and as to what the Tata Company thought, and when I put certain questions about your representation, I shall draw your attention to one or two statements which are not quite correct. But the general position is fixed for us by the instructions which we have received from Government. It is of course perfectly open to you to hold that if the Legislature had been faced by the present state of affairs, they would not have imposed protective duties, but it is not open to us to enter into that question.

Mr. Ginnala—I don't think it would serve any practical purpose for anybody to quote from our Report in this enquiry, because for all practical purposes what remains of our Report is what is to be found in the legislation that has been put through. For instance, to give you an example, you cannot in a court of law quote what the Select Committee reported or what the members said in the course of a debate, because that is all washed out, and what remains is what has been placed on the Statute book by means of legislation. Therefore if you can show anything in this legislation which would enable us to consider that, then it would be relevant, but neither you nor we can go beyond the terms of the reference which is based on the act of the Legislature. It would not be relevant at all to quote the Report, unless you can support your contention by the special Act the Legislature passed.

Mr. Trivedi—I have nothing to say against the Act, but the Report on which the Act was based has fallen through. The Report is not operating today.

President—Then you must ask the Legislature to drop the Report. As I said, we are not the competent tribunal.

Mr. Kale—You quoted paragraph 33 of our Report, Mr. Trivedi. May I point out to you that it is irrelevant. What is stated in that paragraph is "if the difference in the import duty that is asked for in the steel industry is due to any change in the cost of production," but here in the case of Tatas it is not that their cost of production is rising, and therefore the first ground is not relevant. The second ground there is "if it is due to fluctuations in the import price." That is also not relevant, so that the two grounds quoted by you from that paragraph are not relevant.

Mr. Trivedi—My submission is that there is a relative change in the cost of production.

Mr. Kale—But that is not the question before us at all.

Mr. Trivedi—The Board held after enquiry that Tatas cost was Rs. 106, as against that they have to compete against British steel whose price was so and so.

Mr. Kale—Do you know that there has been any change in the cost of production? It seems that you have not properly understood what is stated in the paragraph.

Mr. Trivedi—I say relative change in the cost of production.

President—These questions, however interesting and however attractive they may be, are not for us this time.

Mr. Trivedi—All right, then my second submission is that the Board should send a recommendation that the trade feels that, as Continental competition is coming in, circumstances have changed and a fresh enquiry should be held so that all the circumstances may be taken into consideration. You may recommend that in the course of your enquiry you have been satisfied that this is the state of affairs.

President—I am afraid we cannot do that. The Board can advise Government only on matters about which it is asked to advise. It was foreseen that there might be heavy fall in the price of imported steel, and now that it has occurred, are the Board to take up the position that the means they recommended and which the Government of India approved and the Legislature accepted, should be summarily ruled out of court at the very beginning?

I think we had better begin now with the letter* which you wrote in reply to the letter from the Board. You have given in paragraph (1) the c.i.f. prices in sterling for each month from April to September 1924 at which the certain kinds have been imported into

India. And then at the end you say "Invoices will be shown to you if required in support of the above statement" What I want to ask you is this: Are these figures you have given for actual importations?

Mr Trivedi—Yes

President—For instance, you put the figure in April at £7-7-6 for bars Is that the price of the steel that actually arrived in April?

Mr Trivedi—Yes

President—I think the best way of dealing with the invoices would be for the Board to look through them after the completion of the more formal part of the evidence

Mr Trivedi—I quite agree

President—This steel that arrived in April, these bars, invoiced at £7-7-6, on what date would they be ordered?

Mr Trivedi—In January or February

President—In the case of each month may I take it that the order was probably given about three months before?

Mr Trivedi—Generally

Mr Mather—You do not place any orders based on the price prevailing on the date of shipment, do you?

Mr Trivedi—No

President—When you are placing orders do you cover exchange in advance?

Mr Trivedi—No We are commission agents, and the exchange is a matter mainly for merchants I am not the principal merchant holding stocks

President—Have you got to carry stocks?

Mr Trivedi—No

President—Who are your principals in Europe or in India?

Mr Trivedi—We are the principals in Bombay and I have got a branch at Brussels

President—But I think you said that you are acting as commission agents?

Mr Trivedi—We are agents for the buyers so to speak.

President—The risk, then, is theirs?

Mr Trivedi—Yes

President—Take the September figure you have given for common bars—£6-15-0 Is that steel ordered perhaps in June?

Mr Trivedi—July, I think.

President—I do not think we had any quotation as low as that for July.

Mr Trivedi—On 24th July I got a quotation of £6-17-0 and I made a counter offer and we got it at £6-14-0 This is the actual figure we could buy at.

President—Other firms apparently could not buy so cheap

Mr Trivedi—I shall explain to you the difference Messrs Richardson and Cruddas and Messrs Geo Service & Co are not indenting for anybody else. They may have fulfilled their requirements for June They buy on their own account, and their requirements are over I buy on account of merchants and I did business in July

President—Is it the c. i. f. price that you quote?

Mr Trivedi—The Home quotation on the 7th of August was £6-17-6

President—Whose report is that? Is that your Home firm?

Mr Trivedi—Another firm.

President—This order you probably placed in July Since then have you been placing orders on behalf of merchants?

Mr Trivedi—Yes

President—Have the figures been lower or higher?

Mr Trivedi—It is now £6-10-0

President—Is that the lowest figure at which you have hitherto been able to buy bars?

Mr Trivedi—Yes

President—Take beams, what is the lowest figure you paid since then?

Mr Trivedi—Joists are generally 2s 6d cheaper

President—Have you bought at £6-7-6?

Mr Trivedi—The last price at which I bought was £6-11-0

President—Can you give us the month?

Mr Trivedi—September

President—So that between July and September there has not been more than a comparatively small change in price?

Mr Trivedi—No

President—You say that the stock of plates angles and tees and channels is below normal I am a little surprised about angles The trade returns show that the import of angles for the five months of the year is 16,000 tons as against 9,000 for the corresponding period of 1923.

Mr Trivedi—In the case of angles the engineering firms hold stocks and we do not take that into consideration I deal only with Indian iron merchants

President—I know that On the Bombay side Messrs Richardson and Cruddas do not do much merchant business

Mr Trivedi—My statement is correct for Bombay We have a scarcity of angles

President—It is of some importance to the Board to get all the information they can as to the present condition of stocks, and I wanted to make sure what the position is You say "Early in this year some London export merchants, thinking that the new tariff would not come into force till October, sent out large parcels of bars on their own account for sale, thinking that they would make profit if they arrived before the new duties would be levied" You think that is the principal reason of the heavy importations of June, July and August?

Mr Trivedi—Yes The shipment came late on our account

President—Do you attribute the heavy importations entirely to the action of exporters in Europe, or is it also due to the importers in this country?

Mr Trivedi—We ordered certain things for March. They were late

President—Why did you order them for March?

Mr Trivedi—We do it for trade The thing was this Here merchants in Bombay market thought that these new tariffs would not come in They thought that the finding of Tariff Board would be against giving protection to Tatas Therefore they did not go in for this speculation. In spite of the warning and advice given to them they held that the Board would report against protection

Mr Mather—May I take it that your second point is connected with the rather abnormal difficulty which I believe prevailed on the Belgian railways and in the Antwerp docks in the early part of the year, and as a consequence even the normal requirements were held up for a considerable time and they all came more or less at the same time?

Mr Trivedi—That is what I mean. I did not mean that they bought it for any speculation.

President—I am afraid that these London exporting firms were a little disappointed. Have they carried their stocks?

Mr Trivedi—Even yesterday I got a telegram offering me 150 tons of bars shipped by a steamer which is coming in a few weeks on their own account.

President—I am talking of the steel already in the country, that has been imported into India by these exporting firms Do you think that they still hold them, or have they passed them on to other hands?

Mr Trivedi—They are still lying in the warehouses They are with the banks even now

President—They have not been able to dispose of them?

Mr Trivedi—No

President—You have told us that the present import freight of steel from the Continent is about 15s a ton. Does that cover insurance?

Mr Trivedi—The insurance is separate That is $\frac{3}{4}$ per cent.

President—The fifteen shillings is only freight?

Mr Trivedi—Yes

President—But the c & f price at which you buy includes insurance?

Mr Trivedi—It includes insurance c & f means cost, insurance and freight.

President—After the steel is landed, what would you regard as a fair estimate of the further charges that the merchant has to cover before he gets straight so to speak?

Mr Trivedi—He has to pay some Port Trust charges

President—Will that be about Rs 2-8-0?

Mr Trivedi—Yes, and Rs 5 clearance charges, cartage, handling and other charges

President—I take it that sooner or later he must hope to make some profit in addition

Mr Trivedi—In what way?

President—What I mean is this During certain periods you do not make a profit and do make a loss also At other periods there is a squeeze in the market and you make a big profit, but sooner or later you must hope to make some average profit in the long run

Mr Trivedi—For the last six months we are losing

President—Six months is a short period

Mr Trivedi—To us it is long

President—What would you regard as a reasonable rate of profit, say on the importation of common bars?

Mr Trivedi—They are quite satisfied with 2½ per cent

President—That would be a fraction over three rupees?

Mr Trivedi—Yes

President.—So that the charges which a merchant has to cover before he begins to make anything more than a minimum profit would be about Rs 10 altogether ?

Mr Trivedi.—Yes

President.—You think that would be a reasonable amount ?

Mr Trivedi.—Yes

President.—At the beginning of your second letter* (first paragraph) you have given certain prices continuing for the remaining four months the quotation of Messrs Baxter and Fell given by the Tata Iron and Steel Company. Are these taken from Messrs Baxter and Fell's quotations ?

Mr Trivedi.—These are my figures

President.—Will you tell me where you got these quotations for 24th July 1924, 24th August 1924, 24th September 1924 and 18th October 1924 from ?

Mr Trivedi.—They are from my books

President.—These are quotations, not actual transactions ?

Mr. Trivedi.—No

President.—It is important to make it clear. You say that it will be clear that the price of common bars was £7 9 0 in January last when the Board finished its enquiry, and it is to be presumed that this formed basis of their recommendations

Mr Trivedi.—I think it is a presumption so to speak, and it is quite in accordance with what the Board actually said.

President.—This is what we said "We have endeavoured to ascertain the prices at which steel of those kinds which are manufactured by the Tata Iron and Steel Company actually entered India without duty in the latter half of 1923" Later on we said "We have taken these prices as the basis of our recommendations" Therefore I think you must presume that the price we took was some sort of average for the latter half of 1923

Mr Trivedi.—Before I wrote I did not see this paragraph, and I am willing to correct myself. I thought at the time of writing the Board would take up-to date figures

President.—I might perhaps explain the difficulty about that. When the whole trade is being carried on under exceedingly abnormal conditions it is very difficult to give more weight to one price than to another. The most recent price has no special claim when things are constantly changing

Mr Trivedi.—I submit that in the latter part of 1923 the Ruhr occupation was just being lifted, and therefore the Ruhr conditions were still prevailing and therefore the prices were high. I had given you an invoice of 1922 at £7-5 0 and at that time I told you that in six months' time the price would go down to £7 and it did go down to £7 9 0. I thought when you were writing the Report you would take that into consideration

President.—The Iron Merchants' Association say that they think the Board wisely refrained from following your recommendation

Mr Trivedi.—Therefore the Board finds that all their calculations are upset

President.—You remember when you gave evidence before the Tariff Board—I think it was on the 21st November—you gave us the current quotation of Continental bars as £8 5 0. That is more in accordance with what the Board took as the level of price in the latter part of 1923. I do not say that we definitely committed ourselves to that figure but I think it is near the mark.

Mr Trivedi.—But I definitely gave my opinion that in six months' time the price would go down

President.—You have got the satisfaction of knowing that your prophecy turned out to be correct. Are you prepared now to say what you think the course of Belgian prices is going to be in the course of the next six months ?

Mr Trivedi.—It will go up but not go down

President.—You think we are pretty nearly at the bottom ?

Mr Trivedi.—Yes

President.—What it comes to is this. Speaking as an advisor of merchants, would you regard the level of prices at present a favourable price at which to buy ?

Mr Trivedi.—Yes

President.—You think £7 is about a normal price ?

Mr Trivedi.—It will be round about £7

President.—You assume, I suppose, that there is not going to be a big political upset ?

Mr Trivedi.—No. Those prices are not affected by the depreciation of Continental exchange at all because they sell in sterling. That is our experience. Tatas always say that it was due to Continental fluctuation

President—Supposing the Belgian exchange were to rise substantially, so that instead of being 90 francs it was 70 francs to the pound sterling, do you think you would be able to buy steel at the same price?

Mr. Trivedi—Yes. From the Trade journals you will notice that, since the exchange went up to 80 francs, the sterling price fell down.

President—You say “These Continental works, like our Indian works, at present have to sell at a loss of 20 shillings or more to secure business.” But you have just told us that they are prepared to sacrifice another 20 shillings?

Mr. Trivedi—They are selling under cost. What I suggest to you was that suppose the exchange went up from 90 to 70 francs, they would still sell at a lower price.

President—They would reduce their price to get orders, but it cannot go on like that indefinitely?

Mr. Trivedi—No. I am also of the opinion that it cannot go on indefinitely.

President—A big rise in the franc exchange must raise their sterling quotations, especially when they were already selling below cost.

Mr. Trivedi—But if anybody does not want to pay more, then they have to keep to these prices.

President—The alternative is to shut down?

Mr. Trivedi—Yes.

President—And the moment they shut down and there are smaller number of firms, they will be able to raise their prices?

Mr. Trivedi—Yes, I hope so.

President—I wonder if you could tell us what your present opinion is, whether there are large quantities of steel on order at present. What I mean to say is this. Are there large quantities of steel already ordered which will come into India, say, within the next three months?

Mr. Trivedi—I should think so.

President—You think there are considerable quantities ordered that will come into India in three months?

Mr. Trivedi—Yes.

President—Mr. Anandji Handas thought that there was not a very large quantity on order.

Mr. Trivedi—He asked you to wait for three months, that shows that perhaps he expects shipments in two months!

President—Supposing heavy additional duties were now imposed, do you think some of the merchants who have given these orders would cancel them before they are actually shipped?

Mr. Trivedi—They cannot. They are bound down by contracts. If there is a loophole, say, for instance, I have an October shipment and if I go to them and say I want an extension of four weeks, they will at once cancel it. But ordinarily they cannot cancel it, or they would have to pay compensation to the exporters.

Mr. Ginzala—In a dropping market there is no compensation?

Mr. Trivedi—If he fears that there will be a loss here, he will tell the exporter “I will pay you 5 or 10 shillings, cancel the order.” Cancellation is not easy.

President—I want to recur to this statement “These Continental works, like our Indian works, at present have to sell at a loss of 20 shillings or more to secure business.” I would like you to tell us whether you can give us any definite evidence about that, I mean as to the fact that at present the Continental merchants are selling at an actual loss.

Mr. Trivedi—I think Appendix A to my letter proves that.

Mr. Ginzala—Does it refer to Continental steel?

Mr. Trivedi—Yes. In our market there is no business in British steel.

President—This evidence amounts to this, that it is the opinion of a firm in London who have a great deal of experience in the steel trade. That is what it comes to, does it not?

Mr. Trivedi—Yes. I can produce any number of evidences. Even the trade journals report the same thing.

President—It is reasonable enough in a way.

Mr. Trivedi—The Metal Bulletin is full of such reports.

President—Then you think that is the general opinion of people who know the conditions in Belgium that when they are selling below £7, they are selling at a loss?

Mr. Trivedi—Yes. We were advised that £7 was a safe price and that we could safely purchase at that price.

President—Then you go on to say " The basis price was taken at Rs 140 On 3rd January 1921 the steel bars were quoted as follows —

	£	s	d
Continental	7	15	0
British	11	2	6
American	13	5	0 per ton, c.i.f

In December 1923 also the British and American prices were the same Thus it is to be presumed that the Tariff Board took £11/2/6 into consideration in recommending Rs 140 as the basis " Then a little lower down you say " The Tata Iron and Steel Company are not justified in making a comparison between the price of Rs 140 with the present low price of Rs 90 at which Continental steel bars are now imported free of duties because they overlooked the fact that Rs 140 was the British price not Continental " I fail to see how you can reconcile these two statements

Mr Trivedi—You have yourselves said that you have taken British and given some consideration to the Continental price

President—But you do not give any consideration at all to the Continental What *f o b* price would £11/2/6 represent ? What would you deduct ?

Mr Trivedi—15 to 20 shillings I think it is 22 shillings Even then it would come to £10

President—That takes you down to £10 We said in our Report that the foundation of our estimate of the price was based on the trade quotations, corrected by figures from certain other sources The price of British bars as quoted in the Iron and Coal Trades Review was £9 from August to September, £10/2 in September, then it fell to £8/12/6 and back to £9 again We have also received a good deal of evidence last year that business was usually done at appreciably below the trade quotations, and therefore I think you are assuming a good deal when you assume that we took £11/2/8 as the probable price

Mr Trivedi—If it is lower then I am strengthened in my argument I say it is £11/2/6 If you say it is something like £9 to £10 then I am strengthened

President—You say there is no change in the British price ?

Mr Trivedi—There is change, but if you took £9 to £10 as your basis then I am correct in saying that you took as your basis the British price

President—I am trying to draw your attention to what you have said in your representation It was not correct at all to say that Rs 140 was the British price because we gave some weight to the Continental price

Mr Trivedi—To support my contention I have given two British price lists also

President—I see On page 5 of your representation you say " In my opinion there is not great fluctuation in prices of steel bars to warrant levy of additional duties "

Mr Trivedi—The fluctuation is about £1

President—That is enough The difference between the Belgian and British price in the latter half of 1923 was not very wide, was it ?

Mr Trivedi—I have got British price for November only I am afraid In November it was £8/16 and £10/7/6

President—That is about 30 shillings difference

Mr Trivedi—But as I said it was due to the Ruhr conditions

President—What would be the difference between the Belgian and British price to-day ?

Mr Trivedi—Belgian is nearly £7 and British £10/15, about £3/10

President—Do you not think that a very great difference ? Would not that have some effect ? Is it not likely that people will buy more Continental steel and less British ?

Mr Trivedi—That was the condition in pre-war days perhaps £2 That was a big difference

President—The Board looked into that and that was not the conclusion they came to

Mr Ginnala—Rails were about £6/10 in pre-war days roughly You have yourselves said " In the last three years before the war the *f o b* price of imported rails was about £6 a ton, structural sections and plates a few shillings higher, galvanised sheets about £12, and the average *f o b* price of Continental mild steel bars about £5/10 a ton "

President—Where do you get a difference of £2 or £3 then ? When the gulf between British and Belgian prices is very wide, would not consumers who had been buying from Tatas or the British begin to buy the cheaper stuff

Mr Trivedi—That ought to be the natural instinct of a man, to buy the cheapest.

President—What is the result ?

Mr Trivedi—The result is that everybody is buying Continental

President—Is not that result going to narrow the market within which Tatas can sell in competition with British ?

Mr Trivedi—I am for protection for Tatas

Mr Ginwala—You advised us during our last enquiry that there would have to be a duty of 75 per cent *ad valorem*. Do you mean that we should do now what you told us to do then ?

Mr Trivedi—I was going to lead you to a system of bounties, that 75 per cent duty was an absurd thing and therefore think of a bounty as in the case of rails

Mr Ginwala—But you intended that assistance should be given by means of bounties. If bounties are not feasible, do you suggest any other form of assistance equal in effect to bounties ?

Mr Trivedi—My position is that I want to give them protection by means of bounties and not by duties

President—We are not attempting to convert you. That is not the object of the enquiry.

Mr Trivedi—I am right. Even Tatas asked for that

President—When conditions arise in which there is a very wide gulf between the British price and the Belgian price, then the Indian manufacturer finds his market for British standard steel narrowed, and he has got to sell more in competition with Continental. Is it not that a fact which the Board ought to take into account ?

Mr Trivedi—But the Board have said in their Report at page 28 "So long as the annual output of bars at Jamshedpur is less than 50,000 tons, it is not necessary that the Indian product should compete successfully with Continental bars in every Indian market or in all circumstances"

President—Absolutely. I am not saying now that they ought to compete in every Indian market. All I am suggesting is that with this wide difference, they have to sell more steel in competition with Continental steel.

Mr Trivedi—I still hold that there is not a wide difference between the British prices of January and to-day

President—I am not talking about that. I refer to the wide difference between the price of British steel and the price of Continental steel.

Mr Trivedi—You based your recommendations on the then existing British price modified to some extent by the price of Continental steel. The difference between the prices is 17s 6d. Between the prices of the two kinds the difference is wide enough and the circumstances have changed. Why don't you start a fresh enquiry and make a fresh recommendation ? Now the machinery has become useless. Find out another machinery

Mr Ginwala—You must influence the Legislature for that purpose

Mr Trivedi—You are the body to whom we have got to appeal. You know it is very difficult for non-official members like Sir Purshottamdas Thakurdas even to move bills in the Legislative Assembly. If you feel for the consumers, it is for you to recommend to the Government that your machinery has failed and so you are recommending another machinery

Mr Ginwala—You must take it that this body has no feeling at all

Mr Trivedi—You said that the burden on the consumer was only the same. I can prove that the burden will be six times more

Mr Ginwala—These are important letters that you put in. Is this letter marked A* dated 31st July 1924 from the Ironside, Limited, from a firm which carries on business on a large scale ?

Mr Trivedi—Yes

Mr Ginwala—Is this firm to be depended upon for the statements that it makes ? It says "With regard to steel bars, it is estimated that the price at which works sold would be at least 20 per ton under cost of manufacture, and it is not to be wondered at that since they have obtained sufficient business to enable them to occupy their men, if only for part time, they should not go on selling at the recent low levels. There were plenty of buyers at the price which works were willing to accept last week, and big quantities have been refused by works during the past few days." Do you say from this that the prices have reached a level beyond which they cannot go down ? Is it your opinion ?

Mr Trivedi—The latest telegram I have received recommends buying at the present level

President—They may go wrong again

Mr Ginwala—In appendix B you only give quotations. You say "The Continental works continue to restrict their output as the export business has not yet revived. On

the other hand, there are many signs of an improved demand in the German home market, which is after all the biggest factor for the German works. The present low prices emanate mostly from Belgium, Luxemburg and French works—and not from German works." That is to say Germany is not competing?

Mr Trivedi—No

Mr Ginnala—It might lead to a different result altogether if Germany begins to compete. Prices may again go down

Mr Trivedi—That is what we think is the situation. If people are scrambling for orders, they have to cut each other's throat.

Mr Ginnala—At one time it was suggested that Germany had considerable quantities of steel which it could not release at that time. Supposing it was released

Mr Trivedi—It was released and disposed of. They say that the home demand is coming in

Mr Ginnala—I was not referring to Ruhr stocks only. There may be stocks in other parts of the country. In your opinion German competition will not lead to a drop in prices?

Mr Trivedi—Not for the next six months any how, below to day's

Mr Ginnala—In this second letter dated 28th August 1924 they say "With regard to the future course of prices, it is impossible to say what will take place. The majority of people believe that the bottom has been touched, as at to day's figures it is impossible for works to make any profit. In fact they are making losses and it is only on account of the fact that if they close down the works, capital charges are incurred which represent a given sum per ton, and rather than close down the works the manufacturers carry on provided that the loss in selling the goods does not exceed the loss which would be entailed in a total cessation of manufacture. The demand is far from satisfactory and at time of writing business is very sparse." So up to the 28th August that was the position

Mr Trivedi—Yes

Mr Ginnala—I do not understand this telegram *

Mr Trivedi—That is from a Calcutta merchant to show how they look upon this fresh enquiry

Mr Ginnala—They say "Further protection duty will be surely increased from 1st November on bars, tees, angles, $\frac{1}{2}$ plates and over, beams—stop purchasing totally—Iron business most dangerous now"

Mr Trivedi—That is what Mr Malharam Hardecodas wires from Calcutta to his branch here. I wanted to show the feeling of merchants

Mr Ginnala—They won't take the same risk as some of them did the last time. We have it in evidence that some firms did indent for large quantities of steel in anticipation of the imposition of higher import duty, and they were hit

Mr Trivedi—Bombay merchants have now resolved not to do any business in steel

Mr Ginnala—Can you give us any idea of the orders that have been placed?

Mr Trivedi—About bars. That is the principal thing. I think four months' shipments are still due. I estimate that these are the months for normal opening season. We generally do not buy for May, June and July shipments. We can buy for September and October. The usual shipments have been made and more than usual because the market has fallen. I estimate that in Bombay the bars indented for every month have been at least 6,000 tons

Mr Ginnala—What do you estimate the stock is just now?

Mr Trivedi—30 to 40 thousand tons in Bombay

Mr Ginnala—Is it entirely bars?

Mr Trivedi—I am talking only of bars

Mr Ginnala—That is about twice as high as Mr Anandji Haridas put it yesterday

Mr Trivedi—I consulted my merchants. They met in a body and gave me this figure. It is not my own estimate.

Mr Ginnala—There is a considerable quantity which Tatas also have in stock

Mr Trivedi—If you give protection further by levying import duties, what will happen is that prices will go up further, but as our commitments are heavy, Tatas will find difficulty

Mr Ginnala—There will be old stocks coming into the market

Mr Trivedi—The best remedy is bounty. You may consider my evidence. Tatas also agree with me

Mr Ginnala—It means more ready money

Mr Trivedi—It is less burden on the consumer. As you made exception in the case of rails, the same exception should be made in the case of bars and I suggest that the bounty should come from us. I do not say that the general taxpayer should pay. The trade should pay it by an increased bounty but not to the extent it will be levied now. What I submit is this. Tatas are going to roll 30,000 tons. Our requirements are 2 lakhs tons. Last year you estimated that it would fall down, instead of that it has gone up. In order to protect 30,000 tons will you levy a duty on 2 lakhs tons or will you give relief to 30,000 tons? Put that burden on us. Then the duty we have to pay will be less.

President—The suggestion is that, supposing the bounty required is Rs 40 a ton on 30,000 tons of bars—that is about Rs 12 lakhs—we should raise the duty on imported bars to the extent which would raise that sum.

Mr Ginnala—That is to say, the duty should not be raised to bring up the Continental price up to Rs 180, but sufficiently high to enable the Government to find funds to give a bounty to Tatas which will enable them to get Rs 180.

Mr Trivedi—I only wish that they should be able to sell against Continental. If the market is normal they will be. My doubt is whether they will be able at present to sell all their 30,000 tons. If they produce 2 lakhs tons there will be no difficulty. I am in favour of a bounty system. If you impose a higher duty the burden on us will be six times heavier.

Mr Ginnala—I take it that you have read this Act. You admit that, if any relief is to be given, it should be given as expeditiously as possible. If you raise a point like this, knowing that the Act has not provided for that, would expedition be possible?

Mr Trivedi—What I suggest to Government is this. The emergency is great. There fore the Government must meet it by emergency measures. They can advance from the duty collected or from the duty to come in, in anticipation of the sanction of the Legislature. Next year they can get the Act changed and give a bounty. Bars is the principal thing and we won't fight for other articles. An additional duty does no good to Tatas and it won't do any good to us. All will suffer.

Mr Ginnala—There are stocks in the country which may last for six months. How is Government going to get more money?

Mr Trivedi—Even if it is fixed at Rs 60?

President—This is really beyond the scope of our enquiry.

Mr Trivedi—I appeal to you to go into the question and at least send it as a recommendation.

Mr Ginnala—Supposing all you proposed is not feasible, then what is your proposal? If it is to the advantage of the country that this power should be exercised, what is your view leaving alone the question of burden. You were here when I was examining the other witnesses. You know how I put the case to them.

Mr Trivedi—I differ from you in essentials. You say that Rs 180 is the price fixed for imported steel and that the trade must understand that it is the price Government have fixed for any steel entering the country. I think that is the price fixed for Tatas' steel. There I differ from you.

Mr Ginnala—You may differ from me but it is what the law has provided.

Mr Trivedi—Your recommendation is that Tatas should get Rs 180.

Mr Ginnala—By means of duties, generally speaking.

Mr Trivedi—There I say you have miscalculated and you must correct that miscalculation. Otherwise you will be imposing a burden which the Assembly did not dream of.

President—We cannot go into these things.

Mr Ginnala—I want to ask one more question. Do you agree that at present, if Tatas have to sell their bars in the country, they cannot expect to get a higher price than the Continental?

Mr Trivedi—That I admit.

Mr Ginnala—Don't you think that the present holders of steel will benefit by an additional duty imposed upon imports? Holders of steel are suffering on account of the low prices prevailing. Will it not be one of the effects of the imposition of additional duties that the prevailing prices will be raised, though perhaps slightly?

Mr Trivedi—Yes.

Mr Ginnala—So far as it goes, that rise will benefit the holders who otherwise cannot dispose of their stock.

Mr. Trivedi —But it is a very costly remedy

Mr. Generali —In any case they have lost and if the holders are to benefit they can benefit by a rise in price

Mr. Trivedi —They would rather lose than have such an imposition of duty which would do no good to any body

Mr. Generali —Will not an additional duty cause some rise in price ?

Mr. Trivedi —Yes

Mr. Mather —You have just told us that the shipments during the next few months into Bombay will be at the average rate of about 6 000 tons a month in bars Is that approximately the normal shipment in this season of the year ?

Mr. Trivedi —Yes

Mr. Mather —Is it below the normal shipment ?

Mr. Trivedi —No

Mr. Mather —Another factor which is of importance as regards the effect of the current shipments on the stock is the prospect of sale Are the indications in the market fairly good for the sale of bars for the next few months ?

Mr. Trivedi —No Our calculations in Bombay are quite upset

Mr. Mather —I am not thinking of the price What I want to know is, do you think the market will be able to absorb during the next few months this normal quantity of steel that is coming in ?

Mr. Trivedi —They have to take it up

Witness No. 19

THE COLLECTOR OF CUSTOMS, BOMBAY.

A.—WRITTEN

Statements submitted during the course of oral examination.

Statement

Article	1	2	3	4	5	6	7	8	9
	Average present c & f cost of Continental steel (c & f Bombay harbour) at average exchange 1/5 $\frac{15}{32}$ = Rs 13 14 6 including landing charges								
	Average present c & f cost of British steel (c & f Bombay harbour) at average exchange 1/5 $\frac{15}{32}$ = Rs 13 14 6 including landing charges								
	Approximate proportion of Continental to British imports								
	Weighted average rupee cost of imported steel c & f harbour per ton								
	Rupee cost at current exchange of imported steel in godown ex duty, i.e., inclusive of Dock dues and cartage per ton								
	Tariff Board's figures per ton								
	Difference per ton plus or minus								
	Ratio of protective duty in force per ton.								
Bars and rods	£ per ton equal to Rs a. p. 7 1 0. = 98 3 3 to 107 5 4 8 7 6 = 116 7 5	£ per ton equal to Rs a. p. 10 15 0 = 149 8 0	15	1	109 15 0	109 15 0 5 0 0	140	-25 1 0	40
Plates, ordinary	8 5 0 = 114 11 7 to 119 15 0 9 0 0 = 125 2 6	11 5 0 = 156 7 3	2	1	133 1 9	133 1 9 5 0 0	150	-11 14 3	30

Structural shapes, angles, beams, channels etc	7 5 0 = 100 13 1 to 105 0 6 8 0 0 = 111 1 0	10 7 0 = 144 1 1	1	1	115 0 1	120 0 4	145	-24 0 8	30
Sheet black	11 0 0 = 163 15 6 to 168 1 8 11 10 0 = 169 0 0	13 0 0 = 180 12 6	10	1	154 8 1	154 8 1 5 0 0	160	-10 7 0	10
Sheet galvanized corrugated	18 15 0 to 19 15 0 Average 18 15 0	200 11 10 1 to 207 11 1 Average 207 11 1	200	1	207 11 1	207 11 1 5 0 0	200	-10 7 0	15

Bars and rods

Plates, corrugated

Structural shapes,
angles,
beams,
channels, etc

Sheets, black

Sheets, galvanized
corrugated

Sheets, galvanized
plain

* Last year there were imports in small quantities from Germany, etc, totalling 705 tons as against 5,793 tons, proportion roughly 8 1 Enquiries now show little interest in non British goods hence I have assumed all imports as British only for the above purposes

New Custom House,
Bombay, 27th August 1924

(Signed) A. M. GREEN,
Collector of Customs

108 2 1	10 15 0	100 8 0	15 1	100 15 0	1 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 1 1	100 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No. 2—STEEL PRIORS AT BOMBAY—2ND HALF OF SEPTEMBER 1924

Statement

Article	Average c & f cost of Continental steel (c & f Bombay harbour including charges) at average exchange $\frac{50}{101} =$ from 15th to 30th September 1924	Average present c & f cost of British steel (c & f Bombay harbour including landing charges) at average exchange $\frac{50}{101} =$ from 15th to 30th September 1924	Approximate portion of Continental to British imports.	Weighted average rupee cost of imported steel c & f harbour per ton	Rupco cost at average current exchange from 15th to 30th Sept of import ed steel in godown ex duty, i.e., inclusive of Dock dues and cartage per ton	Tariff Board's figures per ton	Difference per ton plus or minus.	Rate of protective duty in force per ton.
	£ s d	Rs. a p	£ s d.	Rs. a. p	Rs. a p	Rs. a p	Rs. a p	Rs
1			3		5	6	7	8
Bars and rods	7 18 0 =	109 1 0	10 15 0 =	148 11 4	111 11 11	111 11 11 5 0 0	140	40
Plates, ordinary	8 18 0 =	123 1 10	10 2 6 = One consignment only for Richardson & Cruddas	140 1 0	128 12 3	128 12 3 5 0 0	150	30

Structural shapes, i.e., angles, beams, chan- nels, etc	7 0 3 =	101 2 6	10 9 2 =	144 10 9	3 1	112 0 8	117 0 8	145	-27 15 4	11
Sheets, black	11 3 0 =	161 3 10	No quotation.		Nil	154 3 10	159 3 10	200	-40 12 2	30
Sheets, galvanized corrugated			19 7 0 =	268 0 4	Nil.	208 0 4	273 0 4	300	-26 15 8	45
Sheets, galvanized plain			19 15 0 =	273 3 4	Nil	273 3 4	278 3 4	300	-21 12 8	45

(Signed) A M GREEN,
Collector of Customs.

23rd October 1924

No 3—STEEL PRICES AT BOMBAY—1st HALF OCTOBER.

Article	Average c. & f. cost of Continental steel (c. & f. Bombay harbour including landing charges) at average exchange from 1st to 13th October 1924 = $1/5 \frac{31}{32}$ = Rs 13 8 0		Average present c. & f. cost of British steel (c. & f. Bombay harbour including landing charges) at average exchange from 1st to 13th October 1924 = $1/5 \frac{31}{32}$ = Rs 13 8 0		Approved proportion of Continental to British imports	Weighted average rupee cost of imported steel c. & f. harbour per ton	Rupee cost at average current exchange from 1st October of imported steel in <i>godowns</i> ex duty, i. e., inclusive of Dock dues and cartage per ton	Tariff Board's figures per ton	Difference per ton <i>plus or minus</i>	Ratio of protective duty in force per ton
	£ s d.	Rs a p.	£ s d.	Rs a p.						
1		2		3	1	5	6	7	8	9
Bars and rods Plates, ordinary	7 11 0 = 8 19 10 =	103 15 0 121 6 0	11 3 9 = No imports	151 1 0 No imports	15 1 2 1	106 14 0 ..	Rs a p 106 14 0 5 0 0 111 14 0	Rs 140 150	Rs a p. 28 2 0	Rs 40 30
Structural shapes, i. e., angles, beams, chan- nels, etc	8 11 0* =	115 12 0	9 5 0 =	124 14 0	3 1	118 1 0	123 1 0 105 6 0 5 0 0	145	21 15 0	30

ORAL EVIDENCE OF Mr A. M. GREEN, I C S., COLLECTOR OF CUSTOMS,
RECORDED AT BOMBAY ON FRIDAY THE 24th OCTOBER 1921.

President—The first thing we should like to have from you, Mr Green, are the report (or reports) which we understand you have made on the selling price of steel of various kinds passing through the Bombay Customs House in August, September and October.

Mr Green—I formally put in copies of the three Statements*. I would like to offer one explanation. The August Statement represented not the actual cost of steel coming in at the time, but quotations in sterling for August September shipment. The other two Statements represent actual cost of value of steel arriving within the periods under report.

President—That requires a little more explanation. From what sources was the information obtained on which the August report is based?

Mr Green—Quotation from merchants and market reports.

President—It is important to know what the sources of your information were. We had better take each report separately. Let us begin with the report for August. Were the prices you have given based mainly on information from merchants?

Mr Green—We got them from contracts.

President—Were they contracts made in August, or indentations sent to Europe in August?

Mr Green—About the middle of August for indentations going Home at that time.

President—Then the August report is not based on documents passing through the Customs house at that time, but is based on information collected from merchants and others?

Mr Green—Yes. We actually saw market reports from big firms in England making offers.

Mr Ginnala—I take it that this is the kind of machinery which is used for ascertaining values for purposes of tariff valuation?

Mr Green—Yes.

Mr Ginnala—But in the two subsequent statements the figures were based on actual invoices?

President—That explains why the October figures were rather higher than August figures. Only the September and October reports, I understand, give the prices of steel actually passing through the Customs House in those months?

Mr Green—Yes.

President—In the August report you give the price of bars and rods Continental as £7 1s to £8 7s 6d. These figures obviously give the limits between which the prices lay, but are they all for bars of the same kind and quality, or do they include several different kinds and qualities?

Mr Green—I am afraid I can not say off-hand.

President—It makes a good deal of difference whether you have given varying quotations obtained from different people for the same kind of material or whether quotations for several different kinds of material.

Mr Green—I think I can say definitely that the quotations must be for different classes of goods.

President—Then in the next month, in September, you have given price of bars and rods as £7 18s. Is that the average value of all the bars which passed through the Customs House subject to a 40 per cent duty?

Mr Green—Yes, but it is possible that there were only one or two shipments.

President—If the imports amounted to 12,000 to 16,000 tons could they come in one or two shipments?

Mr Green—There might be only one or two shipments of bars and rods arriving in Bombay in a fortnight. For all India there might be more.

Mr Ginnala—Have you given us any figures indicating the imports within the last few months into Bombay?

* See written statements

President—So long as the information required is merely what is ordinarily compiled for the trade returns, there should be no difficulty

Mr Green—I will send it to you *

President—Are the figures given in the reports for September and October the result of actual scrutiny of the shipping documents, declared value and so on ?

Mr Green—Not necessarily declared values, but of the sterling and rupee values. Declared value would be in rupees.

President—Are they taken from actual invoices ?

Mr Green—Yes

President—Take the structural shapes. I presume these are the average figures in September and October for beams, angles, channels, tees and so on. The figure might vary a good deal, might they not, according to the class of material coming in ?

Mr Green—Yes. In the last statement I have made a note. There was one importation of channels at a very much higher rate than for angles, tees and joists.

President—It must have been a pretty heavy importation if it raised the average to £11 12s 6d.

Mr Green—There may be only a small amount of each particular quality in a particular fortnight. There was also a single importation of black sheets from Great Britain which were of special quality.

President—It is the case, is it not, that the quantity of black sheets imported from Great Britain is small, and the great bulk of the imports are Continental ?

Mr Green—Yes

President—Is the higher value of Continental bars in September and October due to the different way in which the figures were arrived at ?

Mr Green—Yes

President—In the August statement you have taken the exchange at $1/5\frac{1}{2}$ which was not the average for the month, or even for a fortnight.

Mr Green—There was a marked drop in the exchange about this time. When I started my enquiries I prepared the August statement, and exchange was very firm.

President—The important figures for us in these statements are the figures in the first two columns. The latter columns contain an attempt on your part to get a weighted average of British and Continental imports, but that hardly serves our purpose, because we have to consider the market in which the Tata company sell their steel. Speaking broadly, as compared with this time last year, there has been a substantial fall in the price of Continental steel as measured in sterling, and there has been very little change in the price of British steel. That naturally suggests the question whether, in so far as the fall in the internal price is due to the lower sterling price of imported steel, the proper remedy is not to tax the Continental steel and leave the British steel alone, except in so far as it is affected by the rupee exchange. I understand that the Government of India in all their commercial treaties have reserved to themselves liberty to give preferential treatment to Empire products. I do not want to trouble you with the political aspect of the question, but merely as regards the practical aspect. Supposing that plan was ultimately found feasible by the Government of India and the Legislature, and supposing the tariff legislation provided that higher duties should be imposed on steel coming from outside the Empire and lower duties on steel coming from the United Kingdom, do you think that would mean considerable administrative difficulties ?

Mr Green—Pretty considerable. We shall presumably (as I think every other country that has fixed rates of duty according to place of origin has done) have to have some sort of certificate of origin. We had experience of that during the war. I was in the Bombay Customs for three years during the war, and the certificate of origin system entailed considerable detention of goods and taking of bonds when certificates were not forthcoming. It entailed in one or two cases suits on bonds which were not honoured and also it was found that the certificates themselves were very often of questionable value, the only machinery for giving them being the Consuls in different towns and it appeared to be impossible for the Consuls to do anything more than accept and certify assertion made by the firms that were purchasing or making the goods. There were also cases of certificates being forged.

President—So that, if a change of that kind were contemplated, the arrangements necessary would have to be thought out beforehand, if the change were introduced suddenly and in a hurry it would embarrass the Customs administration a good deal ?

Mr. Green—It will be very difficult information available at the moment.

President—It is not a question of the difficulty of the information.

Mr. Green—No, unless you are the question of the possibility of Continental steel being sold at a price which is not expected. The expense of transportation is not a question of the difficulty of the information.

President—It is not a question of the difficulty of the information, as compared with the cost of the steel.

Mr. Green—No.

President—If the difference in the duties was only about 15 shillings, it probably would not pay anybody to try. You are inclined to think, I gather, that if there was a difference in the rate of duty there would be a danger of evasion and falsifications, and to provide a better system and a better steel involve difficulties. If you are right, this is not the kind of change which is desirable to make at short notice. Another suggestion has been made by which the rate of duty should be differentiated, not according to the nature of the steel, but according to the quality of steel. It has been suggested that a lower duty could be imposed on steel which is guaranteed on British standard and a higher duty on steel which is not guaranteed. Suppose that system was introduced, does that there would be a danger of fraud and evasion, and that exporters of the Continental steel would freely give the guarantee?

Mr. Green—There would be a danger of evasion, because my Customs will have to make a test, and it will be difficult to make metallurgical tests.

President—It is difficult to say. What a real value could be attached to a certificate given in Europe?

Mr. Green—That is what I am not sure of.

President—If a certificate could be placed on steel given in Europe, the steel must be tested in India, and samples from each consignment would have to be sent to Jayashankar and a report to the same would have to be established in Bombay.

Mr. Green—Even then there would be difficulties.

President—Do you think it would mean delay in clearing goods?

Mr. Green—To delay clearance pending tests would be a hardship to importers and to the Port Trust, whose duty would be concerned. Therefore we should have to make arrangements to pass the goods on provisionally as comments pending production of the requisite certificate or test report. Incidentally that would complicate our appraising and accounts processes in the Custom House. But even this will not remove all the importers' embarrassments, because until the duty has been finally fixed he will not be able to price them for sale. He could not leave the goods in the docks because the Port Trust demurrage charges would mount up very heavily. Therefore the goods will have to be stored in special bonded warehouse or in special godowns under Customs supervision. That would lead to a great amount of difficulty.

President—Any system, I gather, which requires elaborate tests to be made before goods can be cleared, is apt to lead to congestion and difficulties of that kind.

Mr. Green—Very distinctly.

President—The third suggestion which has been made is that a higher duty should be levied on all steel of which the real value was below a certain limit.

Mr. Green—Would you have different values fixed for different categories of steel?

President—Yes. Take common bars for instance. There is at present a gap of £3 between the price of British and Continental bars, a figure substantially below the one and above the other would have to be taken. Suppose the limit was fixed at Rs 110 a ton, which is substantially above the cost price of Continental steel at the present sterling rate of exchange. There again I would like to get your opinion whether there are practical difficulties in working a system of that kind.

Mr. Green—The Customs would have to value very carefully every individual consignment.

President—Do you think it would be necessary to take that precaution in order to prevent over declaration?

Mr. Green—I think it would certainly be necessary. There will be absolute immediate benefit to the importer, if, by collusion with the shippers, a higher invoice value is declared than is really being paid. Even if we check invoices by calling for the bank drafts, it is quite possible that a greater sum would be remitted and rebates or credits given afterwards. We have difficulties of that kind already. We have observed here in Bombay, and I gather

also in Calcutta, that one of the results of the various higher duties is that invoices are distinctly less reliable than they were formerly

President—Are you thinking of steel?

Mr Green.—No Invoice value is not particularly important at present because we are assessing steel mainly at specific rates or on tariff valuations

President—It is important to know that Have you noticed that invoices are less reliable than they used to be?

Mr Green—From the value point of view, invoices are not as reliable as they might be

President—I do not mean the declared value What I am speaking of is the invoices in sterling

Mr Green—They are all in sterling

President—In cases where the invoice value may be of importance as affecting the duty levied, you have noticed that, since the duties became higher, the invoices are not quite satisfactory?

Mr Green—That is so

President—That of course points to the conclusion that, if we introduced a system of this kind, by which a higher duty was levied on steel below a certain value, there would be a strong temptation to over-declare value

Mr Green—Yes

Mr Ginnwala—This might be checked, I think, to some extent by the bazaar price at which steel is sold, if a man imports at £10 and sells at £6

Mr Green.—He would say to us that it was a special quality or it was imported under a contract entered into sometime ago

Mr Ginnwala—A fraud of that kind cannot be carried on in that way for any length of time

Mr Green.—The local price would again be affected by the protective duties and the amounts of Indian steel in the market

President—You say that this plan would involve rather stringent precautions in the way of constantly taking steps to verify the value shown in the invoice

Mr Green.—Yes And it would be particularly hard to do it In the case of under-declaration we can check goods by their value in the market and we have a method of dealing with such cases If we suspect under declaration, we can take over the goods and see if we can realise a profit to Government But here it is the other way round, and it would obviously not be a business proposition.

President—If you took over at £8 the steel suspected of being over declared, and sold it at £6 certainly it would not be a paying transaction. There is another point more or less linked up with this We have been looking at the value in the Trade returns, and the values given there do not really correspond at all just now with what we know of the value of the steel coming in. I take it that, when the duties are specific, the Customs officers do not trouble much about the declared values, since they do not affect practically any interest for which they are responsible.

Mr Green—It is distinctly the tendency

President—If the values given in the Trade Returns of Continental bars for the years 1923 and 1924 are compared, the difference is quite small. But we know that in 1923 as of the occupation of Ruhr the price of Continental steel rose substantially, we also know the result that in 1924 it has fallen low We might expect to find, therefore, a big difference. In this case there is no particular reason for suspecting that the importers are deliberately over declaring A possible explanation is that the importers are still converting c i f prices at 1s 4d That would obviously obliterate the rise in exchange Do you think that is a possibility?

Mr Green—I can confirm that is a fact in some cases Some importers have not thought of changing their rupee declarations even when the exchange is one penny up

President—The conclusion apparently is that we had better not pay much attention to the values in the Trade Returns, and that it won't do to take these values as giving with any sort of accuracy of the actual values

Mr Green—The real values for Customs purposes, if there is an ascertainable market value, is that market value, and not the c i f cost Tariff valuations also represent market values Consequently the actual figure shown in our Trade Returns are often considerably higher than the c i f price as they represent c i f price plus at least the first importer's profit

President—There is just one point, a small statistical point. Can you tell us for the months of July, August and possibly September the proportion of the imported non-protected bars which came from the United Kingdom?

Mr Green—I can give you figures for the three months. The totals are 91 tons from the United Kingdom, 76 tons from the Continent. Three months is not a long period to go on.

President—The imports of British bars in August was 885 tons with an average value of something like Rs. 50 above the Continental value. In the same month the imports of non-protected bars were 828 tons with a similar high value. It looks as if the great bulk of the non-protected bars came from the United Kingdom as the non-protected bars are of higher value and quality, and we know that the British manufacturer specialise in that class of material. If in the month of August say 600 tons came from the United Kingdom it only leaves 280 of protected bars which came from the United Kingdom. Can you give us the imports of protected bars from the United Kingdom?

Mr Green—I shall get them for you before the Board leaves Bombay.*

Mr Ginwala—You have got a copy of our Report. Will you look at paragraph 76 where we were dealing with off setting duties? There we say 'Arrangements would be necessary at the Customs House in the principal ports to record from the invoices the actual prices at which protected goods were being imported and if this were done it should be possible to complete the necessary inquiries promptly.' I see that you have been doing this yourself in September and October, but have any general orders issued?

Mr Green—I received no orders at all. I started this in August.

Mr Ginwala—Do you think that orders are required?

Mr Green—I think they are. We could do it fairly easily, but I might want a little extra staff. I should like to know for what species of steel you want to have figures.

Mr Ginwala—It would be for the Tariff Board to indicate what sort of figures it wanted. Would you necessarily require orders from the Government of India?

Mr Green—If it were only just for a few categories and something like the statement already put in I could probably do it straight away.

Mr Ginwala—It is necessary that the information should be as accurate as possible if it has to be acted on. Would it throw too much work on the Customs authorities if they had to scrutinise invoices? As you say there may be a tendency to over declare and you may have to look into them more carefully. It is really an investigation into every case of importation.

Mr Green—That contemplates a system more or less like the third proposal made.

President—You won't hold up the goods. You have only to keep the documents a little longer merely for some information.

Mr Ginwala—Supposing there was no question of dispute between you and the importer and you merely wanted information for our use, does the law give you sufficient power for that purpose?

Mr Green—It does.

President—Even after taking delivery?

Mr Green—No, not after the goods have been cleared, but an amendment of the Act has been proposed.

Mr Ginwala—That I think is essential. I mean it would be a great hardship on the trade if you were to detain the goods whilst you were making enquiries. It might take two or three months. In that case you think you have not got sufficient legal powers to obtain information.

Mr Green—They can avoid letting us have the information by saying "we are very sorry, we have sent our invoice to such and such a place." Normally we can get them.

Mr Ginwala—No doubt firms would be more or less hostile in the matter of communicating information. The question arises only when the prices are falling. So you think that some legislation may be necessary for that purpose?

Mr Green—I should have thought that, in the majority of cases, we could get the information required as the goods passed through the Customs House. In the case of steel it takes some time to clear the goods, and possibly with a few more special clerks and appraisers I could abstract the information when the goods were passing through. But if there was a question of fraud in the invoice, we might have to hold the goods while making the inquiry.

Mr. Givrala—It may be necessary in the beginning to make an example of the man who is trying to practice these frauds.

Mr. Green—It is possible. Invoices are tricky work. It might be very difficult, if they put in an invoice higher than the selling rate in Bombay, for me to demonstrate that they covered goods identical with those in the market.

Mr. Givrala—This is intimately connected with the drop in the price due to the exchange. If the exchange keeps on rising—we do not know what it may do, it is a very tricky thing—it may be necessary to provide against this rise in the exchange by say, for instance, providing that for every half penny so much more shall be levied by the Customs House. Would there be any difficulty in adopting this course?

Mr. Green—In other words you mean that would be a kind of sliding scale?

Mr. Givrala—No sliding scale at all. Supposing the duty is Rs. X, when the exchange is 1s. 6d., if it goes up to 1s. 7d. there is an additional duty representing the difference. Would that involve much trouble?

Mr. Green—I think it would involve very considerable trouble. I think this will mean legislation, obviously we cannot do it by virtue of a general notification.

Mr. Givrala—Under these special powers the Government of India have got the power to impose it.

President—In that case the Government of India would issue a notification altering the duty.

Mr. Givrala—It will be a matter of procedure only.

President—I think the point is this. It might be just a difference in procedure according to which there might be either no difficulty in the Customs House or a great difficulty. The point is this. There must be some official to decide for all the ports in India that the exchange has gone above the limit.

Mr. Givrala—Don't you get daily advices from the Imperial Bank about the exchange?

Mr. Green—Yes.

Mr. Givrala—Then what is the difficulty?

Mr. Green—Putting it into effect. The rate of duty applicable to any particular article depends upon the date on which the document is cleared, and the importer who thought that the exchange was likely to fall would wait. The only point of time which is fixed for our purposes is the date on which he puts in his application to clear the goods. He can present his bill of entry, and not proceed to clear. If the goods are not cleared within four months they can be sold for realizing the duty, and the Port Trusts usually impose a limit of two months.

Mr. Givrala—That would apply at any time in any case. Suppose during the period it is lying with you the duty is going down?

Mr. Green—If it is going to be a matter which depends on exchange which may vary from day to day, we may have them in a state of perpetual hustle or delay to clear the goods.

Mr. Givrala—That would not be a difficult point.

Mr. Green—I take it you do not wish me to go into technical discussions. There has been long discussion on that point, and it has been generally agreed that any change in the present system would require legislation and that the present system is best suited to all concerned.

Mr. Givrala—But it would not suit a case like this.

Mr. Green—For your own purposes then you are going to affect the whole trade of India?

Mr. Givrala—At present really speaking there is no point of time at which duty is payable.

Mr. Green—No. It is practically within two months from when the importer first puts in his documents for clearing.

Mr. Givrala—It is very important from our point of view. As you say, it may delay the goods.

Mr. Green—When changes in the normal exchange take place he may wait for two or three months. Of course he will have to meet the demurrage charges.

President—If the Collector of Customs Calcutta, and the Collector at Bombay took a different view, there might be a general tariff in respect of different ports.

Mr Green—It might indeed. It must either be automatic, or the result of notification that when the exchange reaches a certain figure we shall charge extra duty.

Mr Ginnala—As the President was pointing out there might not be simultaneous action in all the ports.

Mr Green—Each port will have to wait until the importer instructs to clear the goods and we may have goods assessed at two different rates in the same Customs House.*

Mr Ginnala—Not at the principal ports. I suppose you get the advice as to daily exchange?

Mr Green—Yes.

President—Who do you get it from?

Mr Green—The Imperial Bank. The Currency department also gets us quotations from Government brokers.

President—Somebody should be formally authorised to say what the duty should be.

Mr Green—Certainly. Exchange might move very rapidly. We had a fall of a farthing not very long ago.

Mr Ginnala—I was asking you for figures of imports into Bombay. I mean made up to date, of these kinds of steel.

Mr Green—I am afraid I have no detailed figures with me now. I shall send them to you later on. The statistics mainly follow the trade return classification. I cannot say exactly which but we take the figures including certain protected and non protected steel.

Mr Ginnala—In the monthly trade returns imports are not distributed according to ports. What I want is the figure that would be ultimately given in the annual returns.

President—Let me put it this way. You have got these figures in the monthly Trade Returns for the whole of India. Mr Ginnala wants corresponding figures for the port of Bombay in the corresponding months.

Mr Green—That is quite easy to give †.

Mr Ginnala—We have not seen any trade return from Bombay or Calcutta.

Mr Green—The Bombay and Karachi Customs House do not publish daily or monthly returns because returns are published by the Chambers of Commerce. In the other ports Government published them. We publish our annual volume, giving complete statistics, but of course you cannot wait till then.

Mr Ginnala—I am afraid we can't. We were talking of this difficulty about determining the country of origin. I take it you have followed what has been taking place in Australia. The Australian Government has been giving preference to the United Kingdom, and they were complaining that goods mainly manufactured were being imported from the continent and re-shipped as of British origin. That is a thing which you cannot detect at all.

Mr Green—There again we can only rely on the certificate.

Mr Ginnala—The percentage of British labour, etc., was fixed at 25 per cent. They have now raised it to as much as 75 per cent I believe. A provision such as this in itself would be very objectionable and very difficult to carry out in practice so far as we are concerned?

President—If some finished steel were sent from Belgium to England and then manufactured in England, that question might arise.

Mr Green—It did arise in course of the war and certificates of origin showed how much of the value was to be attributed to different countries. How the certificates were obtained I cannot say.

Mr Ginnala—I see the Customs Returns divide the steel into protected and other steel. In the 'protected' do you include rails?

Mr Green—I fear I cannot say off hand. Presumably we distinguish between heavy rails subject to the specific duty of Rs 14 and light rails subject to the duty of Rs 40.

Mr Ginnala—Rs 14 a ton is equivalent to the former 10 per cent and as your returns can be read the rails do not seem to come under the protected material. I want to be quite sure whether that is so or not.

* The witness says the report of this passage is imperfect but cannot recall exactly what he said.

† Not printed.

President —The Trade Returns seem to show that for July and August the great bulk of rails were given as 'protected'

Mr Green —I can verify that from the Customs House

Mr Ginnwala —You know that the Budget is presented on the 1st March and there is provisional collection of duties. Is there any normal departure in the habits of the people during the intervening period?

Mr Green —Yes. There is apt to be. It depends on what speculation there is about changes in duty. For example when it was thought that the tax on motor cars was to be lowered, importers put their new cars into bonded warehouses in the hope of clearing them as soon as the duty was lowered. Nearly all their importations for two months were put into bond. However the duty remained unchanged at 30 per cent and when they found that hopes were belied, they cleared the cars and put them in their own warehouses. Any change contemplated would obviously have that effect, that is, if importers thought that the duty would soon come down they would bond new importations. The duty takes effect from the time when they clear from bonded warehouses. If they thought that there was going to be an increase in duty they would import and clear as quickly as possible.

Mr Ginnwala —Can anybody keep in bond anything that he imports?

Mr Green —If there is room in the bonded warehouses.

Mr Ginnwala —For an indefinite period?

Mr Green —The maximum period is three years.

Mr Ginnwala —It is long enough for him to speculate.

Mr Green —Yes.

Mr Ginnwala —There is a refund permissible if the Legislature does not pass the duties. Does that involve very much trouble?

Mr Green —A very considerable amount of trouble.

Mr Ginnwala —You would be glad if there were no refunds?

Mr Green —Yes. But it might be rather hard on merchants.

Mr Ginnwala —On one occasion that was done. If you made a refund, that refund would go into the pocket of the tradesman rather than into the pocket of the consumer. The same thing may apply to steel. People may call it immoral, but I do not think there is any immorality in that. If the wrong men are benefiting why should they be allowed to benefit?

Mr Green —Taxes can be collected provisionally for a maximum period of one month.

President —I notice that the Trade Returns show 2,782 tons of 'bounty fed' rails entering India in the month of August. No doubt these are heavy rails but it seems a very queer classification.

Mr Green —The figures are only for foreign trade. Whatever is shown as imported must be foreign steel.

Mr Ginnwala —Who is responsible for this entry 'bounty fed' rails?

Mr Green —I think the Department of statistics at Calcutta made that entry.

President —There were no 'bounty fed' rails imported in July. They appear for the first time in August.

Mr Kale —You agree that instead of the Customs officials being asked to collect a higher duty with the rise in the rate of exchange, Government should notify to the Customs officials as well as to the public that the additional duty will be collected from a fixed date?

Mr Green —That is a better system.

Mr Kale —Both from the public and your point of view so that the public ought to know from which date this collection is going to be made? Of course, if a very long time were to be allowed, there would be difficulties. The object of the increased collection would not be attained and there would be room for speculation. On the whole, the Central authority should notify to all concerned that from a particular date the increased duty will be collected in all ports at the same time?

Mr Green —I take it that the Government of India themselves can notify.

Mr Kale —The Government of India may empower Collectors of Customs to collect increased duties from particular dates?

Mr Green —Can they delegate their power to notify under the Act?

Mr. Ginnala —It will only be a question of an order to Collectors of Customs. It is not a question of delegation.

Mr. Green —They might by notification in the *Gazette of India* increase the duty.

President —The notification of the Government of India might declare that the duty would be increased, as soon as the rate of exchange was notified. It would have to specify clearly what conditions were to be satisfied before the duty was levied.

Mr. Kale —So there will be a general notification allowing Customs authorities to collect import duties. Do you think that there will be any trouble if the changes in the rate of duties are very frequent?

Mr. Green —There will be a good deal of trouble to Customs officers and also importers and merchants. I fancy this enquiry has already affected the market in Bombay. From the Customs point of view we have to take special precautions whenever there is likely to be a change of duty. The date on which the Bill of Entry is presented is of first importance. For several days before and after an expected change of duty the routine work of noting the documents and of fixing the date (the date of presentation will determine the rate of duty) has to be done by one of my Assistant Collectors in his own room. If the duty is constantly changed it will mean that there will be special and continuous preparation and supervision of noting of entry and so on. I do not say it is going to be a very heavy work, but this work will have to be in operation continuously.

Witness No 20.

Messrs. GREAVES COTTON AND COMPANY, LTD., BOMBAY.

WRITTEN

Representation dated the 22nd October 1924

With reference to the application of the Tata Iron and Steel Co., Ltd. to persuade the Government of India to exercise their powers under Section II of the Steel Industry-(Protection) Act, we beg leave to submit the following —

(1) The steel industry being a basic industry any increase in the price has far reaching effects. Under the circumstances why not distribute the revenue directly obtained by the present protective duties to all steel producers in this country. This to be given in the form of bounties according to the production.

(2) The power to revise the duties without reasonable notice is unfair to all parties handling steel. At present the works in India cannot produce anywhere near sufficient steel to meet the demand and therefore it is absolutely necessary to rely upon imports. Under the circumstances all merchants and many consumers have to cover their requirements ahead. It will be readily observed that a sudden increase in the tariff will very often mean serious loss to the importer and we therefore consider that sufficient notice be given before any additional protective duty actually comes into force, we should consider six months a fair period.

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Witness No 21.

BENGAL CHAMBER OF COMMERCE, CALCUTTA.

WRITTEN

Representation dated the 22nd October 1924.

I am directed by the Committee of the Bengal Chamber of Commerce to refer to the Tariff Board's press communiqué dated 14th October 1924 on the abovementioned subject:

2 It is understood from this communiqué that the Tata Iron & Steel Co., Ltd., have made to the Government of India an application that, in exercise of the power conferred by the Steel Industry (Protection) Act of 1924, the Governor General in Council should impose additional or offsetting duties on certain kinds of steel. The grounds upon which this application is based are —(a) that there has occurred since the Act was passed a substantial reduction in the sterling price of continental steel, and (b) that concurrently with this decline the exchange value of the rupee has materially advanced.

3 The views of the Bengal Chamber of Commerce on the protective duties imposed by the Steel Industry (Protection) Act were stated in my letter No. 1428 dated 23rd May 1924 to the Department of Commerce of the Government of India. The Committee made it clear that the Chamber, while supporting the claim of the Tata Iron & Steel Co., Ltd., for assistance from the State, was strongly opposed to the scheme of protective duties which the Tariff Board had formulated. They pointed out that this elaborate and complicated scheme had been framed for the sole purpose of aiding one manufacturing company only for the short period of three years. They repeated and emphasised their objections to taxation designed to increase the cost of raw material, and they showed that the Tata Iron & Steel Company could be effectively helped by a State subsidy or bounty. And, furthermore, they pointed out that the bounty might be equivalent to the difference between the landed cost of the foreign article and the Tata Company's cost of production, and that it might be arranged on a sliding scale.

4 The dangers and difficulties attendant upon a scheme of protection such as that designed by the Board must now be evident to everybody. It must also be equally evident that these dangers and difficulties would be avoided under a scheme of bounties, and it follows that such a scheme ought to be adopted at the earliest possible opportunity. The duties imposed by the Steel Protection Act should be reduced to the scale which was in force before the enactment of that measure, and for them there should be substituted a system whereby the Tata Iron & Steel Company would be aided by a State subsidy. The steel manufacturing industry is admittedly a national industry, and if it is to be assisted by the State then the general taxpayer should be called upon to bear the burden. Not only would this be equitable, but it would have the additional advantage of making unnecessary a system of protection under which revision of the import duties may have to be undertaken at intervals of a few months.

5 The protective duties came into operation in the middle of June last, and your press communiqué is dated 14th October. The scheme has been therefore working for a period of precisely four months, and by the end of that time the Board have been requested by the Government of India to consider the question of revising it. This fact alone must be sufficient to shake public confidence in the scheme, and to suggest that it must be on an altogether wrong basis. It surely cannot be the intention of the Government that the import duties on steel are to follow the fluctuations in the rupee exchange. For such a policy would be obviously disastrous to the steel trade, and the engineering industry, inasmuch as it would introduce into them a spirit of gambling which would be bound to have most serious consequences and would retard the industrial development of India.

6 The Committee of the Chamber would therefore emphasise the extreme danger of revising the duties now, and of introducing the principle of revising them at short intervals. For such a method of protecting the steel industry would in their opinion be injurious to the trade of the country, and would lead to a feeling of instability and insecurity. If a good case has been made out by the Tata Company for immediate additional protection, then such ought unquestionably to be afforded by means of a subsidy, or bounty, and not by changes in the duties. The public revenues have been, it may be presumed, largely augmented by the higher duties on steel which have been in force since June. If so, and if it can be shown to the satisfaction of the Tariff Board that immediate assistance is required by the Tata Iron & Steel Company, then the Committee suggest that such assistance in the shape of a bounty should be drawn from this source. But at the same time the Committee maintain that the higher duties ought to be abolished as soon as possible and a system of sliding scale bounties substituted therefor.



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THE BARODA BOLT MANUFACTURING COMPANY.

WRITTEN

Representation, dated 21st October 1924

We have come to know that the Government has handed over the matter of placing new duties on iron according to the application of Messrs Tata Sons & Co, and we beg to protest against the new duties, and draw the Board's attention to the following difficulties which we are suffering since the last new specific duties were placed on iron bars

We are manufacturing bolts, nuts, fishbolts, dogbolts, dogspikes, rivets, etc, from the iron bars, on which Government has recently placed new specific duties, while on the other hand no duties are placed on the bolts, nuts, rivets, etc, which we make from the bars, and such bolts are imported at a very cheaper rate from Germany, Austria and other countries than England

The duties on bars with wastage increases the cost of bolts, nuts, rivets, etc, to about 40-0 more, and for the last three months we are working in a loss. However if the Board thinks it proper to place new duties on bars, we strongly urge to put a proportionate duty on bolts, nuts, rivets, etc, which comes to about 40-0. Otherwise we are afraid that we shall have to close our factory and suffer a very great loss. Further we beg to draw the Board's attention that this is a quite new industry, and is very useful and helpful to Railways, Mills, Ginning Factories and other mechanical concerns

Upon this some months back we were thinking to add our plant, but from the last three months experience has proved us that it is not paying but losing to make such articles from the bars, and we think this is the case to all such factories in India and so we hope the Board will not forget to protect such an useful growing industry in India.

We are sure that on getting protection more factories of such type will come out shortly in India.

The undersigned is also prepared to send a representative or come personally if the Board thinks it proper to get any more information. Hoping to be excused for the trouble.

Nor would the theory of utilization of Waste Wire go very far to explain such a wide difference as Rs 30 to Rs 70 per ton.

As a matter of principle, Germany does not sell Wire Nails lower than Nail Wire, as will appear from 3 original price* lists comprising Enclosure VI. But she has been compelled to do so at a decidedly unremunerative price under the exigencies of unprecedented financial embarrassment at a time of equally unprecedented slump in all the world markets.

Wire being a semi-finished product, which readily lends itself to be converted into a finished commodity far more in demand than itself, has been able to escape from a similar calamity. Furthermore, the demand for wire, so far as India is concerned, though considerably less in bulk, is far more steadier than that for Wire Nail, in so far as the entire quantity of Wire imported is consumed by Government, public bodies, the Railways and the principal industries (class D) whose demand, for the most part, has to be met almost at any cost. The major portion of Wire Nails, on the other hand, goes into general consumption (class B) and the demand for them to a great extent varies in consonance with the prices prevailing. It is thus that Wire Nails are more liable to be undersold than Wire.

It was with a view to counteract this disparity of price between Wire and Wire Nails, that I prayed for a higher protection for the latter at the beginning and I pray again that this question may kindly be weighed well before your Board submits their recommendations for any additional duty.

The additional cost of conversion of Wire into Wire Nails, for the determination of the protective duty on Wire Nails as compared with that on Wire, was not available to your Board then, so I beg leave to submit same in Enclosure VII.

Finally, no question of compensatory off-setting duty for Wire in consequence of any recommendations your Board may have to make in respect of common Bars and Rods, including Wire Rods, can arise in view of the contract for supply of Wire Rods between the Tata Iron and Steel Co. and the Indian Steel Wire Products Co. for reasons stated in paragraph 25 of your Board's Memorandum on the manufacture of Wire and Wire Nails.

On the contrary, in consideration of the fact that no compensatory duty has been levied on Wire Nails, I am entitled to a similar concession, apart from any off setting duty, from the Indian Steel Wire Products Co., and I also pray that your Board will be pleased to recommend such a concession for which I shall feel ever thankful.



ENCLOSURE L.
SELLING PRICE OF WIRE NAILS.

Indian			Foreign	
Statement of Own sales			Compiled from Calcutta prices current	
Date	Quantity sold.	Rate per Cwt.	Date	Rate per Cwt
	Cwt.	Rs a.	Week ending—	Rs a
1924			1924.	
2nd May	2" 4	14 0	2nd May	14 0
	1½" 2		9th "	
			16th "	
			23rd "	
13th "	1½" 8	13 12	30th "	
	2" 8			
	2½" 6			
15th "	1½" 8	14 4		
	2" 8			
	2½" 2			
24th "	1½" 6	14 4		
	2" 4			
	1½" 8			
27th "	2" 4			
	2½" 4			
25th June	1½" 20	14 4	6th June	14 0
	1½" 2		13th "	
			20th "	13 8
4th July ..	1½" 12	15 0	27th "	
			4th July	
14th August	1½" 6	15 0	11th "	13 8
			18th "	
			25th "	
22nd September	1½" 18	14 4		
	2" 4		1st August	
			8th "	13 8
24th "	1½" 12	14 4	15th "	
	2" 8		22nd "	
	2½" 4			12 8
14th October	1½" 2	14 0	29th "	
			5th September	
			12th "	13 0
			19th "	
			3rd October	13 0
			17th "	12 0